

Advertising & Promotion

An Integrated Marketing Communications Perspective



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An Integrated Marketing Communications Perspective

Eighth Canadian Edition

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Preface

ADVERTISING AND PROMOTION

Private sector firms achieve marketing success by communicating effectively and efficiently using advertising and promotion programs. As well, public sector organizations rely on these programs to achieve their non-profit objectives. In general, brands use advertising and other forms of promotional activities known as marketing communications to sell goods and services, promote causes and individuals, and influence attitudes and behaviour to resolve societal problems. Virtually every organization communicates externally to its constituents, and marketing communication usually contributes in achieving objectives consistent with an organization's mission.

An organization communicating effectively—the right message to the right audience at the right time—is a critical and difficult task for promotional planners to achieve efficiently. A marketer's audiences are current customers, potential customers, and external stakeholders and all of these groups require a customized message if it is to be accepted. The message design is informational or transformational and usually communicated with creativity to convince the audiences. And there are numerous media for message delivery—broadcast (TV network, specialty TV, radio), print (magazine, newspaper), out-of-home (outdoor, transit, place-based), and Internet (website, content publisher, social media)—that are strengthened with sales promotions, events, sponsorship, and public relations.

The Internet's interactive characteristics strengthen (and possibly weaken) an organization's image or reputation due to consumers' brand-related online activities. Watching brand-related videos, reading brand-related information on social networking sites, commenting on brand-related blogs, and uploading brand-related pictures/images potentially influences an organization's audiences. These consumer behaviours are prompted directly by a brand's communication, and are also a manifestation of consumer attitudes and motives. In either case, successful promotional planners take a broad and all-encompassing view of marketing communication in their decision making.

This text introduces students to advertising and promotion with an integrated marketing communications (IMC) perspective. IMC calls for a “big picture” approach to planning promotion programs and coordinating multiple communication programs to positively enhance a brand. To make effective promotional decisions, a promotional planner decides how the IMC programs work individually and collectively so that the organization achieves its goals efficiently.

EIGHTH CANADIAN EDITION ADVANTAGES

This eighth Canadian edition accomplishes the task of showing students how to construct an IMC plan better than any other product on the market. Its numerous advantages include:

- **IMC Perspective**—Advertising and promotion takes an integrated marketing communications perspective to attain communication and behavioural objectives for multiple target audiences. This IMC perspective illustrates the importance of brands developing a unique brand position for each target audience while maintaining the overall market position of the brand. It also shows how to develop strategic and tactical messages that resonate for each target audience.
- **Decision Oriented**—The planning framework applied throughout the text identifies the content of IMC decisions to help students understand how to develop and implement a successful IMC program.
- **Canadian Practice**—Canadian examples provide a comprehensive look at innovative advertising and promotion. The text features approximately 350 references from sources such as *Strategy*, the *National Post*, *The Globe and Mail* to illustrate uniquely Canadian marketing communication decisions. The 48 new perspectives and vignettes reflect advertising messages, media, promotion, public relations, and digital stories representing approximately 250 new articles.
- **Visual Ad Exhibits**—The exhibits contain about 300 ads to convey the breadth of many styles and approaches of advertising across multiple product categories. The ads provide a comprehensive collection of visuals to understand advertising decisions such as positioning, creative strategy, and creative tactics.
- **Canadian Data**—Statistical information presented in the figures appear throughout the text. There are about 230 figures, of which a substantial portion describe the Canadian advertising and promotion environment.
- **Internet Focus**—The majority of the opening vignettes and chapter perspectives highlight the use of digital media. A balance between digital media and other media reinforces the importance of IMC decision making.
- **Internet Media**—Material on this topic appears throughout the book where it is most relevant. The specific chapter coverage is improved from past editions.

- **Social Media**—A dedicated social media chapter illustrates of how it is used as owned, paid, and earned media to achieve a brand's objectives. The scope of social media is shown with numerous media classes and vehicles.
- **Mobile Media**—Marketing communication through mobile technology is featured in the text where applicable.
- **Current Theory**—The Canadian author updated academic references from the *Journal of Advertising* and the *Journal of Advertising Research* and others extensively over many editions. About 500 referenced journal articles provide a resource for further understanding and demonstrate the text's credibility.

ORGANIZATION OF THIS TEXT

The eighth Canadian edition is divided into five parts. **Part 1**, “Understanding Integrated Marketing Communications,” covers the topics of IMC planning, consumer behaviour, and communication theory and practice. **Chapter 1** provides an overview of advertising and promotion and an IMC planning model that shows the steps of the promotional planning process. This model provides a framework for developing an IMC program and is followed throughout the text. **Chapter 2**, describes how brands work with ad agencies and other firms that deliver promotional services. **Chapter 3** explains how managers apply buyer behaviour to develop effective communication that is directed to specific target audiences. **Chapter 4** examines communication models of how consumers respond to advertising messages and other forms of marketing communication.

Part 2, “Articulating the Message,” explains how firms develop objectives for their IMC programs and how to translate those objectives into creative messages. **Chapter 5** highlights the importance of setting objectives for advertising and promotion and identifies different types of marketing, communication, and behavioural objectives. Based on consumer responses models to marketing communication, this approach is applied for advertising and other IMC programs. **Chapter 6** explores how advertisers position their brands through effective marketing communication to persuade target audiences. **Chapter 7** describes the planning and development of the creative strategy and advertising campaign. **Chapter 8**, shows how to execute the creative strategy and identify criteria for evaluating creative work. Like the objectives chapter, these three chapters are applicable for brand positioning and message development for other IMC programs beyond advertising. **Chapter 9** discusses how to measure the effectiveness of promotional messages of an IMC program.

Part 3, “Delivering the Message,” explores how to direct the message through media to the target audience in **Chapters 10** through **13**. **Chapter 10** introduces the principles of media planning and strategy, and examines how a media plan is developed for all IMC tools. This chapter includes methods for determining and allocating the promotional budget across all IMC tools. **Chapter 11** describes the purchase of TV and radio time and audience measurement and discusses the strengths and limitations of broadcast media. **Chapter 12** considers the same issues for the print media (magazines, newspapers). **Chapter 13** presents similar material for out-of-home (outdoor, transit, place-based).

Part 4, “Strengthening the Message,” examines other promotional tools with a continued IMC emphasis. **Chapter 14** covers sales promotion, including both consumer promotions and programs targeted to the trade (retailers, wholesalers). **Chapter 15** reviews public relations in an IMC program. **Chapter 16** looks at the importance of a database and how companies use it for direct-marketing programs to communicate with target audiences through response media. **Chapter 17** describes how Internet media deliver promotional messages through paid advertising using search, video, and static display ad formats. Finally, **Chapter 18** describes how social media is an important part of an IMC plan due to its paid, owned, and earned characteristics.

The text concludes with **Part 5**, “Advertising and Society,” which contains **Chapter 19** on the social, ethical, and economic issues for advertising and promotion.

CHAPTER FEATURES

The following features in each chapter enhance students' understanding of the material as well as their reading enjoyment.

Learning Objectives

Learning objectives are provided at the beginning of each chapter to identify the major areas and points covered in the chapter and to guide the learning effort. The objectives are tagged throughout the chapter and summarized at the conclusion of each chapter.

Chapter Opening Vignettes

Each chapter begins with a new vignette that describes an exciting example of the effective use of integrated marketing communications by a company or ad agency, bringing current industry issues into focus as they pertain to the chapter.

IMC Perspectives

These boxed items feature descriptions of interesting issues related to the chapter material or the practical application of integrated marketing communication. Many of these stories integrate aspects of digital technology, social media, or mobile media, as technology is used universally within marketing as an integral part of all marketing communication.

IMC Planning

Each chapter includes an IMC Planning section illustrating how chapter content relates to integrated marketing communication. It provides guidance on how a manager can use the conceptual material to make better practical decisions.

Learning Objectives Summaries

These synopses provide a quick review of the key topics covered and serve to illustrate how the learning objectives have been achieved. Each summary corresponds exactly to the learning objective at the start of the chapter.

Review and Applied Questions

Questions at the end of each chapter give students an opportunity to test their understanding of the material. These questions can also serve as a basis for class discussion or assignments. The applied questions provide students with the opportunity to apply what they have learned within the chapter. Each numbered review question and applied question corresponds to the similarly numbered learning objective of the chapter.

AWARD-WINNING TECHNOLOGY



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- **Instructor's Manual.** The instructor's manual includes chapter overviews, learning objectives, chapter and lecture outlines, teaching suggestions, answers to review and applied questions, and additional discussion questions and answers (not shown in text).
- **PowerPoint® Presentation** These incorporate a high-quality photo and art program, including figure slides, product shots, and advertisements.
- **Test Bank.** This test bank contains over 3,000 questions categorized by topic and level of learning (definitional, conceptual, or application). The instructor-friendly format allows easy selection of questions from any part of the text, boxed materials, and cases. The program allows you to select any of the questions, make changes if desired, or add new questions—and quickly print out a finished set customized to your course.
- **Video Case Studies.** A unique series of contemporary advertising cases is available on Connect.

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- Determine your preferred treatment of algorithmic questions
- Choose the layout and spacing
- Add instructions and configure default settings

Application-Based Activities

The Connect Application-Based Activities are highly interactive and automatically graded application- and analysis-based exercises wherein students immerse themselves in a marketing environment, analyze the situation, and apply their knowledge of marketing strategies. Students progress from understanding basic concepts to assessing and solving complex real-world scenarios.

Writing Assignments

The Writing Assignment tool delivers a learning experience to help students improve their written communication skills and conceptual understanding. As an instructor you can assign, monitor, grade, and provide feedback on writing more efficiently and effectively.

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These brief, contemporary videos offer dynamic student-centred introductions, illustrations, and animations to guide students through challenging concepts. Ideal for before class as an introduction, during class to launch or clarify a topic, or after class for formative assessment.



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The Online Learning Consortium (OLC) is a higher education community dedicated to advancing quality digital teaching and learning experiences. McGraw Hill has partnered with the OLC to create a Quality in Online Learning Certification for our implementation team and Digital Faculty Consultants (DFCs). This certification teaches McGraw Hill Digital Success Consultants and DFCs research-backed best practices on how to build, facilitate and assess online courses.

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The eighth Canadian edition contains new ads, illustrations, charts, and tables from advertisers and/or their agencies, trade sources, and research organizations. The cooperation of these people who gave permission to publish their resources is gratefully acknowledged.

At the Telfer School of Management of the University of Ottawa, I have taught marketing communication to students for thirty years continuously. I enjoy seeing students appreciate my teaching and apply their knowledge attained during my advertising course, within other marketing courses, and while working in the marketing field. I hope that learning how to make effective promotion decisions proved useful in their career. To my current students, I hope you like reading the book and achieve success after graduating. To students beyond my classroom, I wish you success as well after reading this material.

On a personal note, I finished the first edition with three children in our home and I completed the eighth edition with a grandchild in our home for an extended visit. Time certainly goes by quickly when having fun! All my love and gratitude goes to my wife, Teresa, since I disappeared to my offices for hours on end to produce this eighth edition.

Michael Guolla

ABOUT THE AUTHOR

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CHAPTER ONE

Integrated Marketing Communications



TELUS

LEARNING OBJECTIVES

- LO1** Describe the importance of marketing communication within the marketing mix.
- LO2** Identify the content of the promotional mix—advertising, sales promotion, public relations, direct marketing, digital, and personal selling—and summarize their purpose.
- LO3** Illustrate the concept of integrated marketing communications (IMC) by distinguishing its evolution, renewed perspective, and content.
- LO4** Explain the IMC planning process model and express the steps in developing a marketing communication program.
- LO5** Identify how the IMC planning process is continued throughout all chapters.

Telus Makes the Future Friendly^A

Alberta-based Telus achieved national telecom status a couple of decades ago when the firm merged with BCTel to reach 22% market share versus Bell's market share of 42%, and also purchased Clearnet, an Ontario-based cellular business. Interestingly, Telus adopted the creative imagery of Clearnet's advertising strategy and "The Future Is Friendly" slogan and adapted these marketing assets to the Telus brand name and logo. For over 20 years Canadians viewed ads of multiple critters with their unique personality replicating human consumption of technological goods and services in every single conceivable media. Various sales promotions, public relations activities, direct marketing initiatives, and social media presence included the critters as well. In short, no matter the contact point, Canadians immediately recognized the message as a Telus communication.

Over the past decade, Telus expanded into the health care and agriculture industries with its data technology capabilities. In both cases, Telus used its consistent brand imagery and advertising strategy with some adjustments across many contact points. In health care, Telus Home Health Care Monitoring Solution and Babylon used more plant nature imagery with the usual Telus colours and white background.

From a corporate social impact standpoint, Telus began a number of positive programs under the "All Connected for Good" initiative. Its "Internet for Good" offers lower Internet fees for low-income families. The "Mobility for Good" program provides free phones and plans for youth who leave foster care. A "Health for Good" service provides health care to people who are homeless with a mobile clinic.

The broader vision and strategy of Telus led the company to revise its slogan from "The Future Is Friendly" to "Let's Make the Future Friendly" to illustrate that Telus is committed to its social capital direction. Years ago, consumers experienced apprehension with technological change. But now, with universal phone adoption, online shopping, working remotely, accessing digital entertainment everywhere, and receiving virtual medical care, consumers are much less fearful about technology. The new slogan signals a partnership with Telus, consumers, and other businesses to make a better future together. And the new slogan still works well with the critters!

Question

1. Why does the critter and nature imagery have such long-lasting appeal for Canadians?

As the opening vignette illustrates, companies use advertising, websites, direct marketing, sales promotion, public relations, and social media to communicate something about their products, prices, or availability and how the company enhances social capital. In fact, finding the right approach for marketing communication is a critical decision for small and large firms, private and public organizations, and those marketing goods, services, or ideas. In response, companies use *integrated marketing communications* to link or connect their promotional programs and communicate with their current and prospective customers. Companies develop their marketing communication plans such that each promotional program and their combination contributes to the overall communication effect of the brand or organization.

This initial chapter sets the direction for the entire book by highlighting the marketing context for advertising and promotion. First, the chapter describes the importance of marketing communication within an organization's marketing activities. It then identifies the marketing communication programs available for marketers, also known as the promotional mix. Next, the chapter illustrates the idea of integrated marketing communications and indicates why it is so important. Finally, it explains the content of an integrated marketing communications (IMC) plan as a way of orienting the perspective and organization of this text.

LO1 Marketing Communication

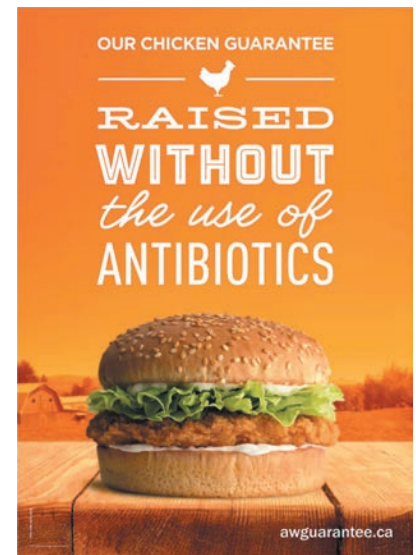
This opening section describes the importance of marketing communication within an organization's overall marketing effort. It reviews the definition of marketing to understand the importance of marketing communication in delivering value to consumers and explores the content of marketing plans to illustrate how advertising and promotion communicates the marketing mix and brand value.

MARKETING

The American Marketing Association (AMA), the organization that represents marketing professionals in the United States and Canada, defines marketing as *the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large*.¹ This definition, and the previous definition of marketing used for a couple of decades, focus on **exchange** as a central concept in marketing.² For exchange to occur, there must be two or more parties with something of value to one another, a desire and ability to give up that something to the other party, and a way to *communicate* with each other. Marketing communication facilitates the exchange process by informing consumers of an organization's product and convincing them of its ability to satisfy their needs or wants. **Exhibit 1-1** communicates an important characteristic about A&W's chicken sandwich. Consumers may conclude that this product is a healthier choice, and better able to meet their dietary needs, than a competitor's sandwich.

The marketing function in an organization facilitates the exchange process by examining the needs and wants of consumers, developing a product that satisfies these needs, offering it at a certain price, making it available through a distribution channel, and developing a marketing communication program. These four Ps—product, price, place (distribution), and promotion (marketing communication)—are known as the **marketing mix**. The main purpose of the marketing function is to combine these four decisions into a marketing program that facilitates the potential for exchange with consumers to create value. The remainder of this section describes how the marketing mix decisions of product, price, and distribution (**Figure 1-1**) are the primary content of marketing communication messages with the ultimate objective of delivering value.

EXHIBIT 1-1 A&W's guarantee potentially reassures consumers that its chicken sandwich is a healthy option for a meal.



Hand-out/A&W RESTAURANTS/Newscom

Figure 1-1 Examples of typical marketing decisions

Product Decisions	Price Decisions	Distribution Decisions
Product type	Price level	Channel type
Features or attributes/benefits	Price policy	Channel policy
Corporate name/identification	Discount	Type of intermediary
Brand name/identification	Allowance	Type of location/store
Package design	Flexibility	Service level

COMMUNICATING PRODUCT

Each of the product facets listed in **Figure 1-1** is the focus of marketing communication. This section shows how marketing messages communicate the product type, the importance of salient attributes or benefits, and the identity of the brand or organization, in order to assist with brand equity development.

Product Type

An organization exists because it offers a product to consumers, generally in exchange for money. This offering may be a physical good (soft drink, pair of jeans, car), a service (banking, air travel, legal assistance), a cause (United Way, March of Dimes), an idea (don't drink and drive), or even a person (professional athlete). TFC soccer player Sebastian Giovinco hired an ad agency to build his personal brand to attract sponsorship deals!³ The product is anything that is marketed and that, when consumed or supported, gives satisfaction to the individual. Note that the term *product* in this book refers to any one or a combination of these five product types, which are not always independent. When eating at a restaurant, consumers enjoy the food but also enjoy the service by not having to prepare the meal, or by eating food they may not have the culinary skill to make. Thus, whatever the product type, marketing communication attempts to show how the product offering fulfills a consumer's needs.

Product Attributes/Benefits

EXHIBIT 1-2 Dasani sways consumers to enjoy its Sparkling bubbly beverage.



Source: Coca-Cola Company

Every good has fairly objective attributes that characterize what it is; a chocolate bar has varying types of chocolate (e.g., milk, dark) and different kinds of ingredients (e.g., nuts, wafers). Marketing communication can simply identify the content of a good. For example, the main point of an ad for a food product is its organic composition. Ads for a new car model focus only on a couple of new technological improvements. Notice how the Dasani Sparkling ad in **Exhibit 1-2** highlights the beverage's bubbly effervescence with a refreshing visual.

Some services exhibit product characteristics beyond the primary service, such as the process of delivering the service, the physical environment where customers receive the service, and the person who provides the service. A restaurant is one service example where all three are usually relevant, whereas a phone plan generally involves a minimal level for all three characteristics. Thus, marketing communication for service organizations educates consumers on these three characteristics to identify key service attributes. For instance, WestJet ads demonstrate the personal attentiveness the airline's staff provides to customers, while The Keg Steakhouse ads focus on the ambiance of the restaurant as well as the food.

Consumers typically view a product as an offering of a benefit or a bundle of benefits.⁴ Advertising and other marketing communications draw attention toward these benefits and make claims about them. Benefits are communicated as functional via the product's attributes, as seen in the above examples. Benefits are also subjectively claimed through the performance of the product (e.g.,

convenience). Finally, benefits are communicated by feelings or emotions associated with the experiential consumption of a product. These emotions are positive (e.g., contentment) or negative (e.g., fear), and are psychologically based (e.g., pride) or socially based (e.g., jealousy).

RBC communicated key attributes and benefits with Jay Baruchel as the spokesperson in three ads to help younger consumers understand how the bank differed from other major banks. One message featured RBC's partnership with Petro-Canada to save money on gas while using an RBC card. Another showed Jay interacting with the app and the AI-enabled Nomi financial management app. The third related Jay's conversation within the MyAdvisor online app. The somewhat silly tone and jokes by Jay likely appealed to RBC's younger target audience. This example indicates that managers decide which attributes and benefits to emphasize and how to portray them in creative messages to persuade a target audience.⁵

Brand Identity

EXHIBIT 1-3 Heineken ensures that its brand identification is prominently displayed.



©ton koene/Alamy Stock Photo

A brand or corporate name and its identification through its logo, symbol, or trademark represent critical product decisions. Marketers use brand names that communicate the product, such as Air Canada (airline) and Sea-Doo (watercraft). The symbol of every automobile company illustrates the importance of selecting an appropriate visual brand representation. The classic simplicity of the logo for Canadian National Railway is the most celebrated in our country and has been recognized as one of the best in the world.⁶ One primary purpose of marketing communication is to present the brand and its identification in favourable locations, situations, or time frames that allow consumers to be aware of the brand and to think or feel more positively toward it. The ad in **Exhibit 1-3** clearly shows the Heineken brand identity with the label on the bottle and similar images on the bottle caps, beer glass, and coaster.

Brand identity is reinforced by the tagline or slogan appearing in any form of marketing communication. IKEA's slogan, "Long Live the Home," encapsulates the essence of the brand succinctly by connecting the brand name to the products it sells. Executives suggest that the tagline is relevant since it "communicates a brand position or brand benefit." For example, Swiss Chalet returned to a previously successful tagline, "Always so good for so little," after changing it often. Firms that offer multiple types of goods and services use an audio logo as one way of connecting brand messages across multiple media, much like a visual logo. For example, the Rogers audio logo is usually heard for all its services. Continuity and consistency in the promotional message across—television, radio, wireless, interactive displays, Internet, and podcasts—makes simple reminders of brand identification a key part of the brand experience.

Packaging provides functional benefits such as economy, protection, and storage, which is the main purpose of a marketing communication message at times. However, since a brand's package gives it a distinctive look, its identity is the focal point of a marketing communication message as well. For example, the main point of the perfume ad in **Exhibit 1-4** is to show the packaging of the product since this influences consumer choice. Other characteristics of packaging, like its being fully biodegradable, are a concern for marketers and are the focal marketing communication message. For example, Fredericton-based The Best Deodorant in the World boasts such a package, which is readily mentioned in its public relations.⁷

Brand Equity

Brand equity is the differential effect of brand knowledge on consumer responses to the marketing of the brand.⁸ Brand equity is the culmination of marketing communication messages of product type, product attributes/benefits, and brand identification. By extension, it is an intangible asset added to a product due to the favourable image, impressions of differentiation, or strength of consumer attachment toward a company name, brand name, or trademark. Brand equity provides the company with a competitive advantage by allowing its product to earn greater sales volume and/or higher margins than it could without the name. The watch shown in **Exhibit 1-5** looks really nice, yet the Mont Blanc brand name likely conveys a more positive consumer reaction.

Conceptually, IMC planning and the subsequent marketing communication decisions are expected to strongly generate brand equity.⁹ The growing interest in this particular brand effect has led to organizations reporting different ways to view and measure brand equity. **Figure 1-2** highlights the top 20 most valuable Canadian brands as determined by Kantar BRANDZ.¹⁰ Their measurement incorporates both financial data and consumer survey data. In contrast, Ipsos-Reid uncovers the most influential brands from any country based on survey data of Canadian's attitudes, and finds Google, Amazon, YouTube, Apple, and Facebook in its top five. PC Optimum claimed the only top 10 placing from Canadian brands.¹¹

EXHIBIT 1-4 Showing a product's packaging is a focus of ads.



kimmyjelly.th/Shutterstock

EXHIBIT 1-5 This Mont Blanc ad contributes to its brand equity.



Source: Montblanc

Figure 1-2 The top 20 most valuable Canadian brands

Rank 2020	Brand	Rank 2020	Brand
1	RBC	11	Desjardins
2	TD	12	Petro-Canada
3	Bell	13	Shaw
4	Lululemon	14	Sun Life
5	Scotiabank	15	Dollarama
6	Telus	16	Manulife
7	Tim Hortons	17	Fido
8	Rogers	18	National Bank
9	Bank of Montreal	19	Metro
10	CIBC	20	Shoppers Drug Mart

Source: Based on data from Kantar BRANDZ, “The Most Valuable Canadian Brands 2020.”

Beyond brand equity as a strategic initiative, marketers are interested in other aspects with views like brand experience, brand attachment, and brand love. Brand experience involves receiving marketing communication messages, shopping behaviour, product use, and consumption, leading to one view that it includes sensory, affective, intellectual, and behavioural dimensions.¹² Brand attachment is the strength of the bond between a brand and oneself and comprises brand-self connection and brand prominence.¹³ Brand love is a more abstract notion reflecting seven more concrete aspects: passion-driven behaviours, self-brand integration, emotional attachment, anticipated separation distress, long-term relationship view, positive attitude, and confidently held attitude.¹⁴ From these definitions it appears that marketing communication is important for achieving any brand-based consumer response. While brand equity is currently primary, others are gaining interest, as one research firm published a brand love index to measure a consumer’s “intense bonded affection” toward a brand.¹⁵ Measurement of the index indicated that brand love exceeds needs, builds trust, sets trends, shares values, respects consumers, and elevates experiences.¹⁶

COMMUNICATING PRICE

EXHIBIT 1-6 Ads feature price information as their primary message, as shown in this McDonald’s example.



©BirchTree/Alamy Stock Photo

The price of a product, usually expressed in a dollar amount, is a signal of a consumer’s economic cost to purchase a product in exchange for receiving its combined benefits. Price planning involves decisions concerning the level, policy, adjustments through discounts or allowances, and flexibility when facing competition. Effective marketing communication reinforces a consumer’s belief that the price accurately reflects the product’s benefit or quality; thus price information conveyed in advertising and promotional messages is seen often. For example, car dealerships and manufacturers focus on price and price discounts in TV and newspaper ads. Internet ads focus on price offers attempting to influence price beliefs and encourage consumers to compare prices online. The information on websites offering deals is predominantly price related (e.g., RedTag.ca). Research concludes that price comparison advertising plays a key role in consumers’ reference price for products when determining the value of a product.¹⁷ Other research finds that communicating price information is critical for influencing consumers who are in the process of

deciding to buy a product.¹⁸ Notice that the main purpose of the billboard ad in **Exhibit 1-6** is to communicate that the price of all sizes of soft drinks at McDonald’s is only one dollar. The secondary purpose is to identify the brand of soft drinks sold at the quick service restaurant.

COMMUNICATING DISTRIBUTION

Distribution involves the process of making a product available for purchase, use, or consumption. Consumer product companies distribute through **indirect channels** using a network of wholesalers and/or retailers. For example, Samsung distributes its electronic products to retailers. Alternatively, companies use **direct channels** and do not use any channel intermediaries to sell to customers. For example, Bell, Rogers, and Telus have retail outlets to sell their goods and services. The Internet is one obvious direct channel that both Samsung and the telecommunication firms also use. In all these cases, marketing communication provides information as to where, and how, to purchase a product.

For example, sporting goods companies with different quality and price levels might communicate which brands and models are at different types of retailers. Alternatively, different service levels might be available within the distribution network and be the focus of marketing communication. For instance, particular locations for cosmetics products offer customized beautifying services, while others are self-serve. Also, extensive marketing communication occurs to direct consumers through organizational websites for online purchases. As these examples demonstrate, the importance of communicating in a multichannel environment, along with a multimedia universe, makes the development of brand equity within distribution decisions a compelling management task.¹⁹

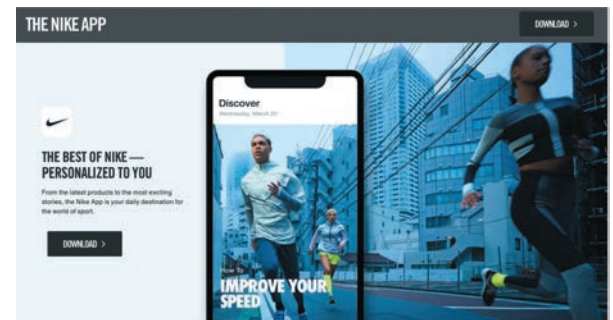
COMMUNICATING VALUE

Value is the relative balance of the benefits consumers “receive” compared to the costs consumers “give” during the exchange. This view is well appreciated by researchers and decision makers.²⁰ Consumers “receive” functional, performance, and experiential product benefits. From a “give” standpoint, consumers pay for products via the price but also incur time, physical effort, and social and psychological costs while shopping and/or consuming.²¹ For example, one could pay a premium price to a travel agent to book a vacation, or one could spend time online searching for the best price; each option clearly has its own unique costs. Interestingly, the elusiveness of value emerged with one study’s conclusion that consumers value a physical good (e.g., real book) more than its digital equivalent (e.g., ebook)!²²

Marketing communication has significant importance to signal the benefit consumers accrue for the total costs they incur in order for them to understand how value is received from a product offering. Consumers’ opportunity to shop physically and virtually anywhere, in any way, at any time establishes marketing communication decisions among the most important management decisions for an organization so that its customers and potential customers understand a brand’s value offering. Apps are a popular digital marketing option to communicate brand value, as shown in the Nike example in **Exhibit 1-7**.

In conclusion, companies use marketing communication ethically and responsibly to influence and inform consumers about its brand value. Messages with unethical and irresponsible characteristics are not legitimate means of persuasion and are therefore not identified as advertising. Understanding this distinction is a serious challenge for organizations, consumers, regulators, and critics. Therefore, it is the goal of this book for students to experience the positive side of advertising and promotion, which is intended to communicate value to consumers to fulfill their needs and wants. At the same time, it is important to understand the limitations and criticisms of marketing communication, which are noted at various points and especially in **Chapter 19**.

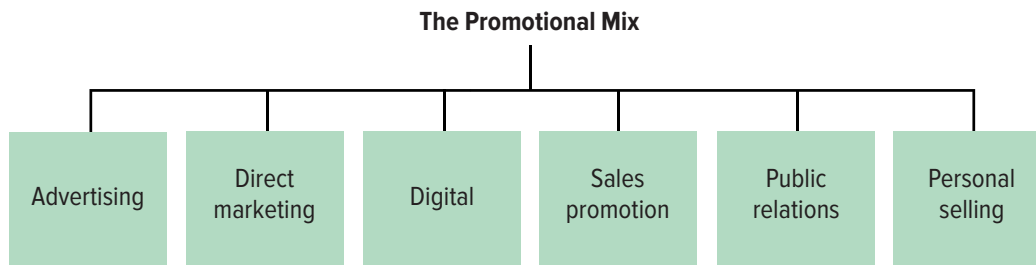
EXHIBIT 1-7 Nike’s app is one way the brand adds value for its customers.



Source: Nike, Inc

LO2 The Promotional Mix

Promotion is the coordination of all initiated efforts from an identified brand or sponsor that uses channels of information and distribution to persuade audiences to buy a product (i.e., good, service, cause, idea, person). While implicit communication occurs through other marketing mix decisions, most of an organization’s communication with the marketplace occurs as part of a carefully planned and controlled promotional program referred to as the **promotional mix** (**Figure 1-3**). While either *promotion* or *marketing communication* is a suitable term, the latter is commonly used since the promotional mix decisions are often connected. For example, a television commercial directs viewers to a website, or a brand uses the same type of message in both its radio and print ads. This section defines each promotional mix decision and summarizes its purpose.

FIGURE 1-3 The promotional mix

ADVERTISING

Advertising is defined as a paid form of non-personal communication about an organization, product, service, or idea by an identified sponsor.²³ The *non-personal* component means advertising involves media (e.g., TV, magazine, banner ads on websites) that transmits a message to large groups of individuals. In general, this means there is no immediate feedback from the message recipient; the interactive capability of technology is changing this limitation, but not to the extent that there is feedback in personal communication (salespeople, customer service personnel). The *paid* aspect of this definition means that the space or time for an advertising message is bought from a media organization. Canadian advertisers spend more than \$14 billion annually to reach their audiences, and there are several reasons why advertising is part of marketers' promotional mix.

Cost Efficiency

Advertising is a cost-efficient method for communicating with large audiences. For example, during a television season, prime-time network television reached 85% of Canadians on a daily basis. The most-watched TV show each week attracts an audience of about 2 million English-speaking viewers. The average top 10 show audience is about 1.6 million viewers, while the average audience for the top 11–20 shows is about 1.1 million viewers.²⁴ One study quotes media experts who estimate the cost per thousand reached at \$25 for a top 10 show and \$20 for a top 11–20 show. To reach an audience for Canadian-produced television shows costs \$16 per thousand; specialty channel audiences cost \$8 per thousand.²⁵

Cost Effectiveness

Assuming that a majority of the viewers actually watched a TV ad, paid attention during the airing, and remember something about the message, then advertising is a cost-effective form of marketing communication. In general, advertising is a cost-effective method for allowing potential customers to know something about a brand and have a positive attitude toward the brand prior to, during, or after purchasing a product.

Brand Communication Effects

Advertising is valuable because it provides information to consumers and persuades consumers by influencing their attitude toward the brand. Advertising creates a favourable and unique brand image, which is important for companies selling products that are difficult to differentiate on the basis of functional attributes. Brand image is the sum of a consumer's cognitive, affective, and evaluative perceptions of a brand, is a key result of a firm's marketing strategy, and thus provides important direction for advertising decisions.²⁶ Advertising is also a recommended approach to building brand reputation.²⁷ Empirical research also finds that advertising directly and indirectly leads to greater firm value due to intangible assets (e.g., brand communication effects).²⁸

Iögo—the new way to say yogurt—illustrates how advertising establishes brand communication effects with creativity. Ads prominently displayed two dots (known as an *umlaut*) above the brand name, giving it a distinctive look that consumers readily accepted. After three months, Iögo achieved 74% awareness and strong interest and purchase intention due to extensive exposure. A few years later, Iögo refreshed its package design to highlight the umlaut within a smile and the umlaut came to life in three ad scenarios: a therapist with a patient, a hairstylist with a customer, and a couple at breakfast. Each ended with a warm feeling to let viewers see the umlaut as human. Later ads for the protein version showed the umlaut participating in fun activities and then pausing to be energized.²⁹

Brand Interaction

Advertising is used to encourage consumers to interact with a brand online. For example, as part of its sponsorship with the Canadian Football League, Belairdirect insurance advertised its contest where consumers would upload a video of themselves

in their best “game face” to win a trip to the Grey Cup. The campaign featured three sets of ads, contest instructions for digital entry, face-painting tips from CFL players, and answers to common insurance questions. Social media activities motivated media personalities to create their own look as inspiration for potential customers.³⁰

Flexible Application

Advertising is a flexible approach that is applied across industries (e.g., cars or soft drinks), market situations (e.g., new product launch or market development for established product), channel members (e.g., consumers or retailers), and target audiences (e.g., new customers or loyal customers). New products entering the Canadian market use some form of advertising, and *Strategy*, a trade publication for ad agencies, annually recognizes outstanding ads.

Multiple Domains

Different types of advertising occur in multiple domains. Canadian marketers of goods and services advertise to consumer markets with national or regional brand messages, and in some cases with messages to particular international consumer markets. Alternatively, local retailers and other goods and services providers use advertising for communication purposes to achieve sales objectives. Also, industry associations, like the Dairy Farmers of Canada, advertise extensively to consumer markets as do all levels of government and non-governmental organizations like Canadian Blood Services.

Business-to-business marketing firms advertise to those who buy or influence the purchase of goods or services for their organization. Professional advertising directed to those with specific designations is found in industries such as health, management, government, and technology. Finally, advertising directed to channel members like wholesalers, distributors, and retailers is found in all industry sectors around the world. **Exhibit 1-8** shows an ad from Qualcomm that demonstrates its innovation in the wireless telecommunications industry to businesses who rely on its technology.

EXHIBIT 1-8 Business-to-business marketers use advertising to build awareness and brand identity.



Qualcomm Technologies, Inc.

SALES PROMOTION

Sales promotion is defined as marketing activities that provide extra value or incentives to the ultimate consumers, or retailers and distributors, that influence their behaviour to stimulate sales. *Consumer sales promotion* is targeted to the ultimate consumer or end user of a product and includes coupons, samples, premiums, rebates, and contests designed to encourage consumers to make an immediate trial or repeat purchase. Other promotions encourage consumers to participate in a brand event or to involve themselves with the brand by uploading a video or photo to social media highlighting their consumption. Examples of new types of events include Harley-Davidson’s pop-up café for its loyal riders and Molson’s “Rooftop Rink” for beer and hockey fans alike. As one might expect, these events gained publicity in news media for additional exposure and from individuals posting their excitement or experience in social media.³¹ **Exhibit 1-9** is an example of a coupon offer within an ad that encourages consumers to purchase Dare crackers for holiday entertaining. To facilitate usage, the ad indicates that the packaging offers recipes for serving ideas.

Trade sales promotion is targeted toward marketing intermediaries such as wholesalers, distributors, and retailers. Promotional and merchandising allowances, price deals, sales contests, and trade shows are examples of the promotions designed to encourage the trade to stock and promote a company’s products. Some trade promotions benefit consumers since they receive information contained in a display or receive discounted prices that are passed along to them from the retailer.

EXHIBIT 1-9 Dare combines its sales promotion with its advertising.



©Dare Foods Limited

PUBLIC RELATIONS

Public relations is a corporate communication program designed to enhance a company's reputation and/or earn public understanding and acceptance of a particular issue. A public relations (PR) program requires a systematic plan to control and manage a company's corporate image. A public relations program includes special publications, participation in community activities, fundraising, sponsorship, support for causes (e.g., social), and public affairs activities to achieve its image objectives. As expected, the Internet and social media are paramount for enhancing and influencing an organization's reputation in today's digital world.

EXHIBIT 1-10 TD sponsors events for public relations purposes.



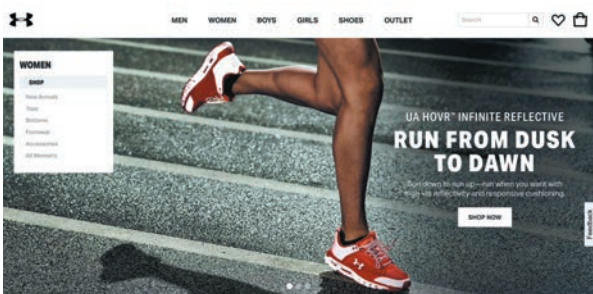
©Roberto Machado Noa/LightRocket via Getty Images

PR is an integral part of an organization's marketing communication. The following examples illustrate some unique PR strategies. Tangerine bank, Sun Life Financial, Nike, and McDonald's all sponsor the Toronto Raptors, leading to extensive exposure during TV broadcasts.³² Scotiabank supported Nuit Blanche, a sunset-to-sunrise, free, contemporary art event. Telus demonstrated its commitment to social causes with a series of online video documentaries produced by its in-house Telus Studios, based in Vancouver. One told the story of adventure seekers using technology to plan their trips to remote mountain lakes and forests.³³ On another front, the company began Telus Wise to assist those who have been bullied while using digital technology. One campaign focused on young people who provided testimonials of their experiences to highlight Telus's commitment and responsibility to eradicate the problem.³⁴ **Exhibit 1-10** shows a colourful sponsorship by TD that is part of its public relations activities to support Pride Toronto.

Publicity refers to non-personal communications regarding an organization, product, person, or idea not directly paid for by an identified sponsorship. The message reaches the public in the news media as a story or editorial. Like advertising, publicity involves non-personal communication to an audience, but unlike advertising, publicity is not directly paid for by the organization. The organization encourages the media to cover a favourable story by using news releases, press conferences, feature articles, and media. An advantage of publicity is its credibility; consumers are generally less skeptical toward favourable information about a product when it comes from a source they perceive as unbiased. For example, movie reviews from film critics may be viewed by moviegoers as an objective evaluation. Another advantage of publicity is its low cost, since the company is not paying for media time or space. While costs in developing public relations items to foster publicity occur, these expenses will be far less than advertising.

DIRECT MARKETING

EXHIBIT 1-11 Under Armour sells its products through retail channels and online.



Source: Under Armour, Inc.

Direct marketing occurs when organizations communicate directly with target audiences to generate a response and/or a transaction. Direct marketing is used by companies that distribute their products to consumers directly and by companies that distribute their products through traditional distribution channels or their own salesforce. Direct marketing includes telemarketing and call centres, direct mail, mail-order catalogues, Internet-order websites, and direct-response ads in media. Direct marketing is an important component of a firm's marketing communication program since it is connected to other aspects of marketing communication. Direct marketing is used to distribute product samples and promotional products. Extensive direct marketing activities occur with the administration of loyalty programs designed to reward customers who make frequent purchases. Direct marketing can also be used as part of a public relations program by sending relevant information.

In order to communicate directly, companies develop and maintain databases containing contact information (e.g., address, phone number, email), customer profiles, purchase history, and media preferences of present and/or prospective customers, and use this information to target either audience. They use telemarketing to call customers directly and attempt to sell

products and services or qualify them as sales leads. Call centres are used to respond to customer inquiries. Marketers send out direct-mail pieces ranging from simple letters to detailed brochures and catalogues, to give potential customers information about their products. Finally, marketers use **direct-response advertising**, whereby a product is promoted through an ad (e.g., broadcast, Internet) that encourages the consumer to purchase directly via a phone app or website (**Exhibit 1-11**).

DIGITAL

Interactive media allow for a back-and-forth flow of information where users participate in and modify its form and content instantly. Brand and consumers are collectively experiencing a dynamic change in marketing through interactive media, mostly delivered via the Internet. The Internet allows users to receive, alter, and share information and images, experience branded promotional messages, initiate inquiries, respond to questions, and purchase products, making it a multifaceted marketing communication tool for promotional planners. It is also a medium to execute the promotional mix beyond advertising with video, display, or audio messages. Marketers offer sales promotion incentives like online contests, and they use the Internet to conduct direct marketing and public relations activities effectively and efficiently. In fact, a brand can implement a completely digital IMC program that includes advertising, sales promotion, events, public relations, and social media interaction online. Given this potential, all of this marketing communication is identified as *digital*, which is customarily done by advertising and digital agencies.

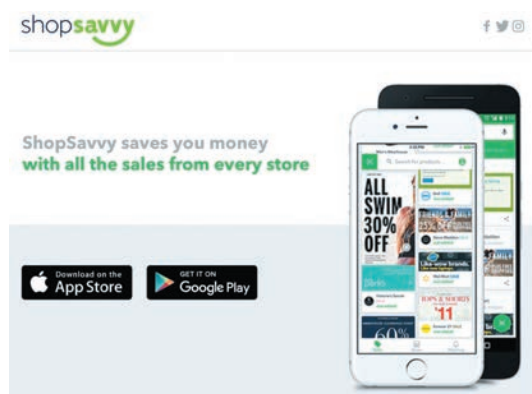
The Internet is an advertising medium since brands pay a fee to place a video ad, various styles of display ads that look like a print ad, or an audio ad virtually anywhere, such as on content publishing websites like TSN or social media sites like Facebook or YouTube. Search engine ads are also “paid media” advertising, as are messages on classified/directory websites. Websites provide current and potential customers with information about the company’s products and activities. Other websites entertain or communicate emotionally with their clientele. In either case, these branded websites are much like non-digital marketing collateral material that are “owned media,” but the interactive media characteristics of a brand’s website alter a consumer’s experience considerably.

Social media facilitates interaction and communication among its members to create, share, and exchange information, experiences, perspectives, and media. Social media like Facebook, YouTube, Twitter, and Instagram are means for marketers to reach consumers as each allows a brand to create a group (Facebook) or channel (YouTube) for all kinds of marketing communication activities. Since these types of social media do not charge a brand to set up an account, a brand’s presence is much like “owned media” as a brand’s personnel (or agency personnel) construct the message and style much like what is found on a brand’s website. Described in **Chapter 18**, these social media players offer additional features for a fee to enhance a brand’s marketing communication, thereby moving toward “paid media” that might make the advertising message not necessarily look like advertising from the point of view of a consumer. At the thirtieth anniversary of the first Internet ad, the future of brand communication within social media is facing significant issues for researchers and practitioners. A summary of the issues includes understanding influencers, investigating personalized brand content, clarifying ethical concerns, examining social media beyond Facebook, and developing knowledge on how social media works with other media while consumers make purchase decisions.³⁵

The interactive features of social media that facilitate communication among users provide a powerful means of brand influence. Positive communication among users about a brand is referred to as “earned media” by marketing practitioners. This terminology gained stronger notoriety as social media matured, however the idea previously existed in public relations for decades and with managers interested in tracking consumers’ verbal word-of-mouth communication. Marketers’ online postings stimulate conversations among consumers with the hopes of generating peer or group influence. At other times, brand managers contract special agencies that will financially arrange for an influential blogger to endorse a brand by posting their consumption via a picture or video. So while the blogger’s post might look like “earned” media to a consumer, it is in fact “paid” media.

Access to websites, social media, interactive experiences, and all facets of marketing communication is prevalent with mobile media devices like smartphones and tablets. These devices and accompanying applications open the door for marketers to adapt and invent ways of implementing marketing communication. Although consumers access online marketing communication similarly (mobile vs. non-mobile), the portability of receiving brand messages or interacting with a brand, or a peer, makes this a new frontier for IMC planners, who need to consider how existing promotional decisions will be adapted to fit with or influence consumer behaviour. A Starbucks app allows customers to pay for purchases, find locations, obtain nutritional information, and manage their rewards account, all on a smartphone. **Exhibit 1-12** shows an example of a shopping app that allows consumers to perform price comparisons and read product reviews.

EXHIBIT 1-12 Shoppers use the ShopSavvy app to compare prices prior to purchase.



Source: ShopSavvy, Inc.

Although the Internet is a popular medium offering media delivery options for marketing communication, the ultimate purpose of advertising and promotion and the content of the message remain essentially unchanged. According to two noted marketing writers, promotional planners still try to achieve brand communication effects by delivering a relevant message with the ultimate goal of achieving a marketing objective, such as selling more of a product.³⁶ While feedback on digital message delivery is virtually instantaneous with media like Twitter, considerable planning is required by a promotional manager for initial digital message delivery, much like what has existed for nearly a century since the advent of radio advertising. For example, comparative media research concluded that brand-building occurs with both Internet advertising and TV advertising.³⁷ In addition, multiple media are generally important for advertising campaigns; broadcast, print, and outdoor media drive sales in addition to online display and paid search media.³⁸ Despite the positive communication for brands, digital advertising is wrought with major issues, such as difficulty measuring communication effects, conflict within the buying and selling of ads, ad blocking, and fraudulent accounting for 30% of all digital advertising revenue.³⁹

PERSONAL SELLING

Personal selling is a form of person-to-person communication in which a seller helps and/or persuades prospective buyers to purchase the company's good or service or to act on an idea. Personal selling involves direct contact between buyer and seller, either face-to-face or through telecommunications. This interaction gives the marketer communication flexibility; the seller can see or hear the potential buyer's reactions and tailor the message to their specific needs or situation. Personal selling is not reviewed in this book since the decisions pertaining to this topic are the responsibility of a sales manager.

PARTICIPANTS IN THE PROMOTIONAL PROCESS

EXHIBIT 1-13 Citytv promotes its value to advertisers.

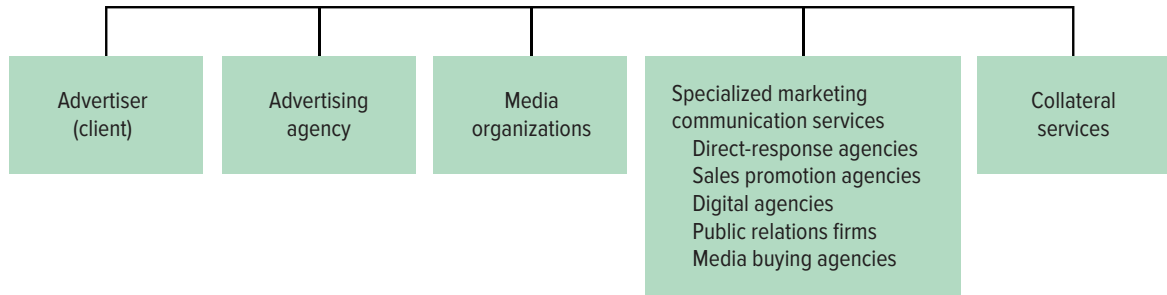


©ValeStock/Shutterstock

Figure 1-4 identifies the participants of the promotional process in order to understand the context of promotional decisions. **Advertisers** have the goods, services, causes, ideas, or persons to be marketed, and provide the funds that pay for advertising. They make the final decisions of the marketing program and the marketing communication program. Advertisers may develop the promotional program internally with an ad department or an in-house agency, or work with outside agencies.

Advertising agencies are firms specializing in the creation, production, and placement of promotional messages, and may provide other services. Advertisers are referred to as **clients** if they work with an ad agency. Large advertisers retain the services of multiple agencies, particularly with multiple products or markets. For example, Schneiders hires different agencies for specific advertising tasks: one for national, one for regional, one for in-store locations, and one for sports locations.⁴⁰ An ad agency that is viewed as a partner by the client might assume more responsibility for developing the marketing and promotional programs.

Media organizations provide information or entertainment to their subscribers, viewers, or readers. Media provide an editorial or program content environment for the firm's promotional planner to deliver the marketing communication message. While the media perform functions that help advertisers understand their markets and their customers, a medium's primary objective is to sell its time or space so companies can effectively reach their target audiences (**Exhibit 1-13**). Media companies in Canada have grown significantly through acquisition of different formats and provide considerable integration options for advertisers.

FIGURE 1-4 Participants in the promotional process

Specialized marketing communication services include agencies for direct marketing (e.g., direct mail), sales promotion (e.g., contests, premium offers, sampling programs), interactive media (e.g., websites, social media activities), public relations (e.g., generate and manage publicity), and media buying (e.g., arrange TV ad placement) who provide services in their areas of expertise. In the case of Schneiders, digital advertising is not done by an agency, but rather an in-house team. **Collateral services** include marketing research, package design, consultants, photographers, printers, video production, and event management. Marketing technology service is a new collateral service that emerged with the growth of digital campaigns requiring mobile, email, social media, programmatic media buying, and digital measurement of customers' experiences. Overall, these companies perform specialized functions that the other participants use when planning and executing an IMC plan.

LO3 Integrated Marketing Communications

Most large and mid-sized companies understand that a brand's promotional mix requires coordination and strategic integration to present a consistent image to communicate effectively with their target audiences. This section presents the ideas of the previous section in a new light by illustrating the topic of integrated marketing communications through its evolution, renewed perspective, and audience contacts and the use of IMC programs to influence target audiences.

IMC: EVOLUTION

During the 1980s, companies shifted toward **integrated marketing communications (IMC)** as the need for strategic planning and integration of their promotional mix intensified. Marketers subsequently asked their advertising agency to coordinate the use of all promotional programs and employed promotional specialists to develop and implement other parts of their promotional plans. At this point in time, the American Association of Advertising Agencies defined IMC as planning that recognizes the added value of a comprehensive program to evaluate the strategic role of all communication disciplines and to combine them to provide clarity, consistency, and maximum communication impact.⁴¹

By the 1990s, IMC represented an improvement compared to treating each promotional program as a virtually separate activity as all agencies contributed to the IMC planning for their clients.⁴² IMC became one of the "new-generation" marketing approaches used by companies to better focus their efforts in acquiring, retaining, and developing relationships with customers and other stakeholders.⁴³ With this change, IMC faced criticism that it reflected a management fad that merely relied on tactical coordination to make all aspects of the promotional mix look and sound alike.⁴⁴ As IMC evolved, both academics and practitioners saw a renewed perspective.

IMC: RENEWED PERSPECTIVE

A renewed understanding viewed IMC as a strategic business process that identifies the most effective, persuasive brand communication program over time with customers, prospective customers, employees, associates, and other targeted relevant external and internal audiences to build and maintain relationships and achieve financial goals.⁴⁵ Marketers saw the value of strategically integrating the decision making of the promotional mix compared to independent decision making within each. This approach coordinated efforts of a company's agencies, minimized duplication, and used the strength of each promotional mix decision to develop efficient and effective marketing communications programs. **Exhibit 1-14** shows a marketing effort where IMC planning is paramount for the managers of both brands identified in the promotion: Air Wick and Parks Canada.

EXHIBIT 1-14 Two brands featured in this promotional offer demonstrate the importance of planning.



Hand-out/Air Wick Canada/Newscom

IMC is seen by promotional planners as an ongoing strategic business process where a number of relevant target audiences require specific marketing communication programs. This approach reflects the increasing emphasis on accountability and measurement of the *outcomes* of marketing communication programs as well as marketing in general. Thus, a renewed perspective means that IMC has four communication characteristics: unified for consistent message and image, differentiated to multiple customer groups, database-centred for tangible results, and relationship fostering with existing customers.⁴⁶

Marketers and marketing communication agencies embrace IMC within their marketing and business practices. In fact, it is expected that IMC is critically connected to a firm's market and brand orientation.⁴⁷ Research reports higher use of IMC leading to higher levels of sales, market share, and profits.⁴⁸ Despite this progress, some called IMC an "inside-out" marketing approach that bundles the promotional mix to have one common look.⁴⁹ Even with this doubt, the evidence is persuasive: IMC performance predicts market performance in terms of brand and sales

performance.⁵⁰ And, empirical research shows that strong IMC capability leads to campaign effectiveness and stronger market and financial performance.⁵¹ However, one study concluded that the strategic intent of IMC is warranted, but its implementation falters among promotional specialists due to poor communication, a narrow focus on their own domain, a lack of trust, and weak flexibility for adjusting.⁵²

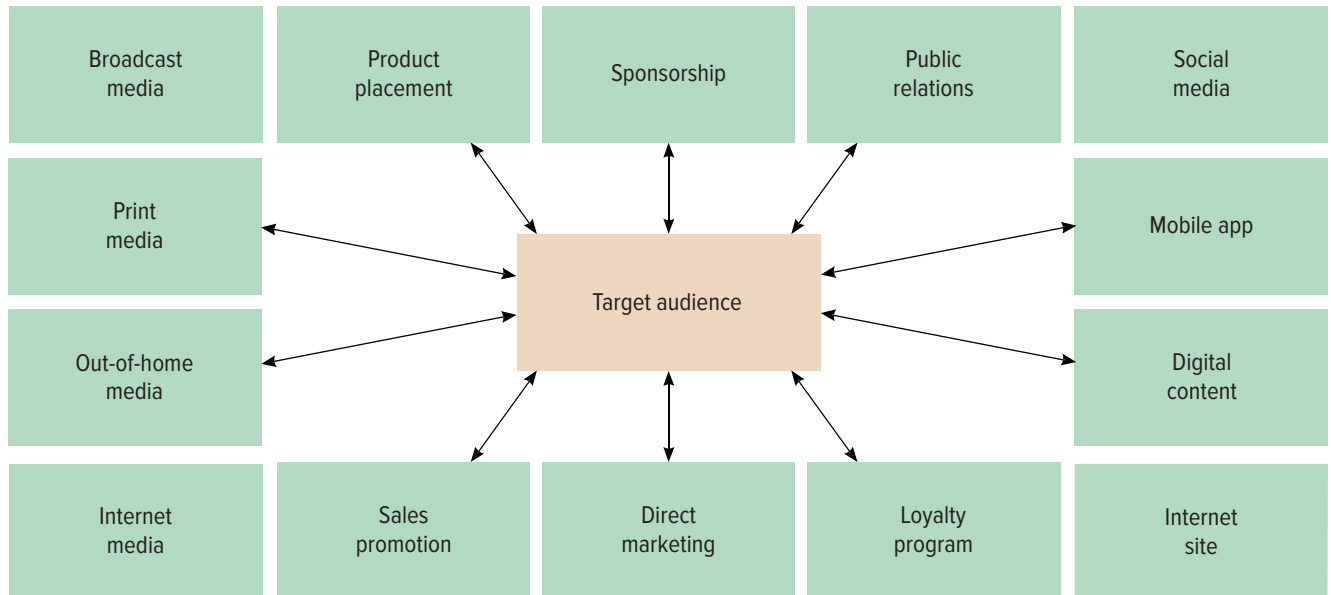
IMC: AUDIENCE CONTACT

A successful IMC program requires having the right combination of promotional programs and a clear purpose for each, and knowing the extent to which each is used and how to coordinate the ones selected. Marketers use the promotional mix to communicate with current and/or prospective customers and other audiences such as employees, suppliers, community, and government. Companies take an *audience contact* or *audience touch-point* perspective by evaluating the potential ways of reaching their target audiences and presenting the brand message favourably to enhance value for the target audience.⁵³ In terms of customers, for example, marketers identify how their loyal buyers interact with the brand. This contact ranges from seeing or hearing an ad to actually using or experiencing a brand at a company-sponsored event. Moreover, this works with non-customers, such as those loyal to another brand, to whom the company may choose to target its marketing communication. And finally, this audience contact approach is feasible when targeting those who currently do not purchase within the brand's product category.

Figure 1-5 shows how a target audience is in contact with a company or brand. Marketers determine how valuable each contact is for communicating with each target audience and how the contacts are combined to form an effective promotional program. This is generally done by starting with one target audience and determining which is most effective in reaching, informing, and persuading them and ultimately influencing their behaviour. This would be repeated if the brand saw the plan requiring additional target audiences. Although consumers may view all of these as advertising, the promotional manager takes this audience contact view for planning purposes to ensure that the brand invests in the right set. Adapting this approach to the consumer decision-making process (covered in **Chapter 3**) and how consumers receive and process ad messages (covered in **Chapter 4**) provides direction for comprehensive IMC planning.⁵⁴

To see this in action, consider how a bank communicates to retain their current customers to ensure future profitability or tries to persuade non-customers to select their brand to increase their customer base. IMC programs that a bank might evaluate for its customers could include direct marketing (such as email, direct mail, or messages when the customer logs in to do online banking), or special marketing events (like financial seminars), or public relations (including community and cause-related activities). In contrast, the bank evaluates other options to sway customers from competing banks for certain products or services. Advertising in media is feasible for consumers dissatisfied with their current provider. Social media advertising is possible to alert consumers to consider shopping around when it is mortgage renewal time. As these two points imply, it takes money and resources to attract new customers, which makes customer retention a key consideration.

Customer relationship management (CRM) involves creating, maintaining, and enhancing long-term relationships with individual customers for mutual benefit. The scenarios described above show how companies build on continued purchases from customers to maintain long-term relationships. Banks and other organizations estimate the *lifetime value* of a customer by calculating the increased revenue and minimized costs of an individual customer over time. The extensive personal and financial

FIGURE 1-5 Audience contact via an IMC program

information banks collect allows them to serve people's financial needs through financial products (e.g., mortgages) and service (e.g., financial advisers). To assist in their communication, banks build a customer database containing names, geographic and demographic data, purchase patterns, profitability, and credit ratings. Other businesses include this and other data such as media preferences and psychographic profiles. Marketers use this information to target and communicate with loyal customers to enhance the relationship. With so many options, and since their customers are involved so closely with the firm, the need for consistency and coordination becomes critical.⁵⁵

The Iōgo example highlighted earlier showed that the brand executed its plans with different contact points for each product type, indicating different audiences. The brand's initial launch included TV, out-of-home, and print media along with a coupon, indicating an attempt to switch consumers from competing brands. The niche protein product plan introduced later used digital and mobile contextual ads to target active people aged 25 to 34 who replaced meals with healthy snacks like yogurt. Influencer messaging also occurred in social media.⁵⁶

IMC: PAID, OWNED, EARNED

Figure 1-6 categorizes IMC in terms of paid, owned, and earned media. Each of these requires investments in money and/or internal resources (e.g., labour, technology). Note that earned media is important for marketers, but it is not quite like paid and owned media since brands try to influence what occurs rather than directly controlling the message.

Paid media refers to a media channel of communication a marketer pays for, including advertising media (e.g., television, radio, print, outdoor) and direct mail as well as digital advertising on the Internet such as paid search, and display and video ads located on websites and in social media. In this regard, a considerable proportion of messages received from Internet media are consistent with previously established advertising media. For example, RBC used the same humanistic message for TV and online to target younger consumers for its insurance products. Three scenarios presented situations in which insurance is necessary (travel, children, health issue), and an RBC adviser humorously answered their questions. The 30-, 15-, and 6-second formats permitted options for both video-oriented media.⁵⁷

Owned media refers to channels of marketing communication that a company controls, such as a website, blog, mobile app, and social media channels such as Facebook, Twitter, Instagram, and YouTube. It also includes non-digital communication like a brochure and catalogue. These channels differ from paid media channels since there is no payment to a media organization to deliver the message. No doubt production and support costs arise from communication suppliers as in paid media, and a company likely incurs internal labour and/or technology costs to manage the delivery.

EXHIBIT 1-15 This ad communicates many ways to receive brand messages.



©Cullen's Foods LTD., 2022

Earned media is exposure for a brand that it did not directly pay for and is generated by entities beyond the company such as media or sharing in social media. In the past, exposure from earned media resulted from a company's plan for public relations, efforts to generate publicity, or positive word of mouth among consumers. However, earned media exposure now occurs through social media with consumers initiating message delivery. It also occurs when marketers encourage consumers to share company and/or brand information.

Effective IMC plans typically use a combination of all three forms of media. Advertising through paid media generates brand awareness and interest efficiently. Media advertising can drive consumers to owned media such as a company's Facebook or Instagram page for brand engagement. Or it might direct consumers to a website where content encourages greater message involvement. Well executed and coordinated paid and owned media efforts serve as a catalyst for generating earned media from consumers who find information or content about a company or brand to be interesting or valuable enough that they want to write about it or share it. **Exhibit 1-15** demonstrates these points very well. The ad invites readers to learn more about Cullen's Foods at the company's website and three social media locations. Note that the farm-to-table imagery supports the organic origins of the product and motivates consumers to seek additional information and online brand experiences, where additional earned exposure is expected to occur.

owned, and earned perspective goes beyond media. It also indicates that the rekindled interest in paid, owned, and earned media for the Internet reinforces the point that marketers used the three-media idea for quite some time in the promotional mix.

Figure 1-6 IMC across resource source

IMC: Paid	IMC: Owned	IMC: Earned
TV, radio, outdoor	Brochure, catalogue	Publicity via media
Magazine, newspaper	Displays	Journalist reviews
Transit, location, in-store	Sales promotion	Verbal word of mouth
Direct mail	Events, shows	Promotional products
Sponsorship	Public relations	Cause-related support
Product placement	Loyalty program	Public support
Display and video ads in social media	Website, micro-site	Shared videos and pictures
Display and video ads on websites	Social media	Social media messages
Search ads	Mobile app	Shared social media messages
Email	Email	Communities
Audio ads on podcast	Blog, podcast	Ratings, reviews

Figure 1-6 illustrates that IMC follows a paid media perspective; Canada Post delivers the message for brands, organizations receiving sponsorship funds guide a brand's image to its audience, and product placement is a media for ad-like messages within a story. It also shows that IMC with an owned media perspective include options that are directly controlled by the brand (e.g., sales promotion, events, and consumer and trade shows). Earned media occurs beyond PR, publicity, and word of mouth since consumers receive promotional products they display, participate in causes, and support brands publicly in some cases.

As noted, digital paid advertising is pervasive, with more spent on this media than TV advertising; companies or brands use all forms of owned digital media, and the growth of social media usage by consumers makes this earned media stand out significantly. It is recognized that the table simplifies the marketing communication situation to some degree, with the breakout of digital media to illustrate a point, however it is still useful to consider for clear promotional decision making and IMC planning.

IMC Perspective 1-1 describes the IMC program for BMO that addresses financial fairness. It demonstrates how the paid advertising message led to target audience exposure to BMO-owned media and contributed earned media exposure for BMO in social media.

IMC PERSPECTIVE 1-1

FINANCIAL FAIRNESS WITH BMO^B

BMO recently planned its IMC programs for different target audiences with unique messages using multiple communication approaches with noteworthy success. *Strategy* recognized BMO with a Strategy Award for its Financial Fairness campaign directed to women, one of many different audiences BMO attracts across its vast product line and services offered. Examples of others include the BMO Effect messages targeting non-BMO customers and the bank targeting millennials for its BMO Eclipse VISA Infinite card.



BMO Financial Group

The Financial Fairness campaign intended to empower women in the realm of their personal finances. Research indicated that women received negative experiences throughout their lives regarding their financial knowledge and literacy, and inaccurate and unfair biases with respect to their financial goals and planning. Repeated stereotype phrases like “retail therapy” and “marry rich” reinforced ingrained beliefs of poor financial responsibility among women, with some not even aware of the problem.

A film (2.5 minutes) entitled “Jane Grows Up” documenting how a lifetime of negative stereotypes limited a woman’s confidence with money launched the campaign on International Women’s Day. A shorter version of the story (30 seconds) crystalized the stereotypes more overtly. Slightly revised and even shorter versions of the story (15 seconds) encouraged viewers to sign an online petition to eradicate terms like “gold digger” and “shopaholic” from dictionaries. Gifs in social media replicated these shorter versions by showing “gold digger” becoming “goal digger” and “shopaholic” becoming “stockaholic” to illustrate how alternate realities were possible in Jane’s life.

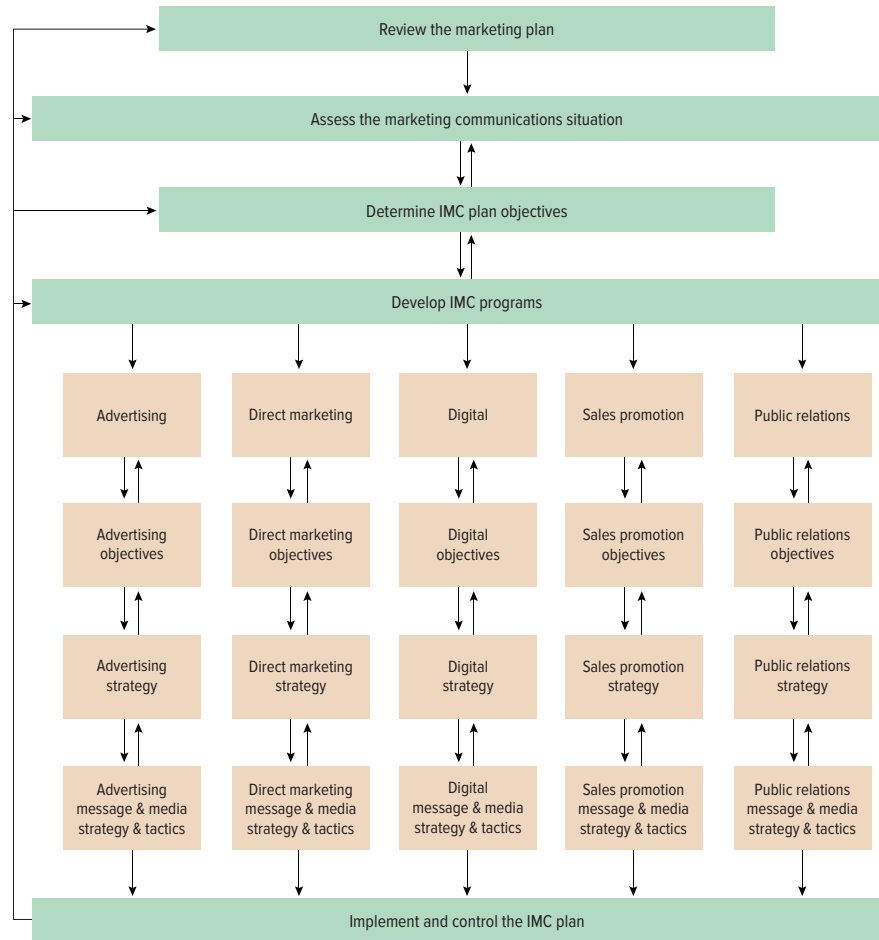
Post-campaign measurement indicated an effective Financial Fitness campaign. Brand recall achieved 20 points (compared to a norm of 6 points for financial businesses). Brand favourability scored 7 points higher compared to the financial business norm of 1 point. A total of 80,000 people visited the campaign’s dedicated website. Use of the specific hashtag increased by 100% compared to a campaign launched the previous year. A subsequent BMO Private Wealth ad indirectly conveyed a sequel with a message showing a successful woman meeting a financial adviser. The ad targeted TV viewers of programs skewed to higher net worth and reached women with out-of-home media and LinkedIn ads.

QUESTION

1. What aspect of integrated marketing communication did BMO implement with the Financial Fairness campaign?

LO4 Integrated Marketing Communications Planning

IMC planning is a process to conceive, develop, implement, and control the promotional mix to communicate effectively with target audiences. An IMC planning model is shown in **Figure 1-7**. The marketer decides which promotional programs to use, the purpose of each, and how to combine them to achieve IMC objectives. The resulting **IMC plan** provides the framework for managing all of an organization’s marketing communications. The remainder of this chapter explains the planning model and describes the steps in developing an IMC program.

FIGURE 1-7 An integrated marketing communications planning model**Review the Marketing Plan**

Focus on information and analysis of marketing communications situation
 Examine marketing objectives, strategy, and programs
 Understand purpose of promotion within the marketing plan

Assess the Marketing Communications Situation

Company analysis
 Consumer analysis
 Competitor analysis

Market analysis
 Environmental analysis

Determine IMC Plan Objectives

Establish IMC communication objectives
 Establish IMC behavioural objectives

Develop IMC Programs

For advertising, sales promotion, public relations, direct marketing, and digital:
 Set specific communication and behavioural objectives for each IMC program
 Determine budget requirements
 Develop relevant message strategy and tactics
 Select suitable media strategy and tactics
 Investigate integration options across all five programs

Implement and Control the IMC Plan

Design all promotional materials internally or with agencies and buy media space/time
 Measure promotional program results/effectiveness and make adjustments

REVIEW THE MARKETING PLAN

The starting point for a promotional planner is the **marketing plan**, a written document that describes the overall marketing strategy and programs developed for an organization, a particular product line, or a brand. With this, promotional planners understand where the company (or the brand) has been, its current position in the market, where it intends to go, and how it plans to get there. Marketing plans generally include five parts: situation analysis (market, company, consumer, competition, and environment); marketing objectives that provide a mechanism for measuring performance; marketing strategy that includes selection of target market(s) and the marketing mix decisions; implementation program (tasks to be performed and responsibilities); and control program (monitor and evaluate performance to make strategic or tactical revisions).

ASSESS THE MARKETING COMMUNICATIONS SITUATION

The promotional plan is developed similarly to the marketing plan and uses its information to understand the situation. *IMC strategy decisions also usually require additional and very specific promotion information to perform a marketing communication situation analysis.* It is important to note the significance of the preceding sentence because the conclusions of a marketing communications situational analysis differ from the conclusions of a marketing strategy situation analysis. A marketing communication situation analysis compiles relevant promotion-based information, and makes conclusions or derives implications from the information. The content generally concerns the same topics of consumer, competitor, company, market, and environmental information, as shown in **Figure 1-8**. However, their interpretation is directed toward the implications for promotion decisions versus marketing strategy decisions.

Figure 1-8 Analysis of the marketing communications situation

Consumer analysis

- How is the purchase decision made?
- Who assumes what role? (e.g., decider, influencer)
- What does the consumer buy? What needs must be satisfied?
- Why do consumers buy a particular brand?
- Where do they search for product information or purchase the product?
- When do consumers buy? Are there any seasonality factors?
- What social, lifestyle, or demographic factors influence the purchase decision?

Competitor analysis

- Who are our direct and indirect competitors?
- What key benefits and positioning are used by our competitors?
- Why is our position versus competitors stronger, weaker, or similar?
- How big are competitors' promotion budgets?
- What promotion strategies are competitors using?

Company analysis

- What are the product strengths and weaknesses?
- How strong is the firm or brand image?
- What is the performance of past promotional programs?
- What are the firm's promotional capabilities?

Market analysis

- What is the size, growth, and profitability of national, regional, and city markets?
- Are there changes in product formats, styles, or applications?

Environmental analysis

- What current trends or developments affect the promotional program?

Consumer analysis is an evaluation of consumers' segmentation characteristics (e.g., demographic, psychographic), buying patterns, decision making, and factors influencing their purchase decisions. Marketing research studies are usually needed to answer these questions. Chevrolet's "Canadian Dream" campaign relied on considerable information about Canadians from research performed by an ad agency (**Exhibit 1-16**). It concluded that Canadians defined the elements of the dream as individual success, caring for others, respect for the system, fairness, and respect for individuals.⁵⁸

Behavioural objectives in terms of trial purchase or repeat purchase, among others, may be defined along with the communication objectives. Communication and behavioural objectives guide the IMC strategy and each promotional program. For example, the RBC ads with Jay Baruchel invited viewers to spend 20 minutes with RBC to “experience the difference” compared to other financial service providers. **Exhibit 1-17** shows an ad where the call to action encourages the reader to visit Beau’s website.

DEVELOP IMC PROGRAMS

Figure 1-7 shows that each promotional program has its own objectives, strategy, message, tactics, and budget. For example, the advertising program sets objectives involving the communication of a message or appeal to a target audience. A budget will be determined, providing the advertising manager and the agency with an idea of how much money is available for developing the ad campaign and purchasing media to disseminate the ad message.

Two important aspects of the advertising program are development of the message and the media strategy. Message development, also referred to as *creative strategy*, involves determining the message the advertiser wishes to convey to the target audience. Chevrolet’s message diverged from past ads that promoted technological innovation in an attempt to spur Canadians out of their indifferent attitude toward the brand. The promotional planners viewed the campaign as a way for consumers to see themselves in a Chevrolet to fulfill their dreams. The creative layout of the ad shown in **Exhibit 1-18** from Banana Republic displays its True Hues brand. The multiple images illustrate a variety of product types and many shades to appeal to women with varying skin colours and tones.

Media strategy involves determining which communication channels will be used to deliver the advertising message to the target audience. Decisions are made regarding which types of media will be used (e.g., magazine, TV) as well as specific media vehicle selections (e.g., a particular magazine or TV program). This task requires evaluation of the media options’ strengths and limitations, costs, and ability to deliver the message effectively to the target audiences. Media exposure of the Chevrolet campaign included 30- and 60-second versions, and full 120-second exposure occurred on TV, in the cinemas, on fitness networks, and in Chevrolet’s owned social media. The original teaser media continued, along with digital takeovers, display ads, print ads, and point-of-sale promotions.

A similar set of decisions occur for *all* other elements of the IMC program as objectives are set, an overall strategy is developed, and message and media strategies are determined. If a firm decides to include a sales promotion, it might decide to use a specific message and media strategy and tactics to communicate information about the sales promotion, in addition to whatever advertising decisions that have been recommended.

EXHIBIT 1-18 Banana Republic’s creative message communicates its numerous colours to appeal to many women.



Banana Republic/MEGA /Newscom/GWGLA/Newscom

IMC Perspective 1-2 illustrates a campaign by the Egg Farmers of Canada to encourage greater consumption of eggs and illustrates some of the IMC planning points highlighted in this section,

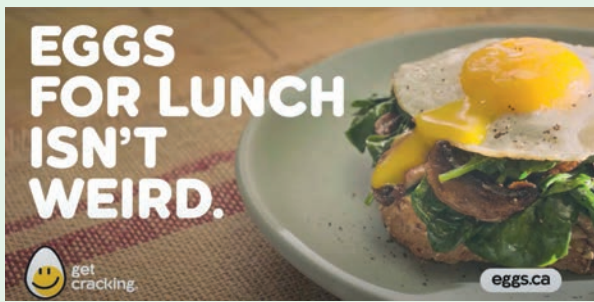
IMC PERSPECTIVE 1-2

EATING EGGS FOR DINNER IS WEIRD?c

Eggs Farmers of Canada have run campaigns over many decades to encourage greater egg consumption, often with humour or quirkiness, like Weekday Eggs! People eat eggs more frequently on the weekend, and one campaign tried to encourage greater frequency of eating eggs during the week, so they *invented* Weekday Eggs.

In one execution for TV, a woman travelling to work is approached and offered an egg breakfast. The woman refuses initially but is intrigued when hearing about Weekday Eggs and wonders if this is a new brand of eggs! Of course, the joke reminds viewers that eggs can be eaten any day of the week and are not especially time

consuming to prepare when getting ready for work. The message also resonated with consumers with online and in-store exposure.



© 2022 Egg Farmers of Canada. All rights reserved.

Sometimes, the Egg Farmers of Canada partners with other brands in its messaging, such as McDonald's. The Egg Farmers instituted an Egg Quality Assurance initiative to reassure Canadians that the food is produced according to food safety and animal welfare standards. McDonald's featured the logo of the Egg Quality Assurance for its re-launch of the Egg BLT McMuffin. The short spot carried the quirkiness the Weekday Eggs ad of the previous year even though the certification is serious business. In fact, the certification existed for decades, but only recently did consumers communicate a preference for seeing the certification on products.

A new "Eggs Anytime" campaign encouraged consumers to eat eggs for other meals beyond breakfast. Research indicated that Canadians continued to eat more eggs each year, but their consumption lagged other countries such as Mexico and Japan. Specifically, research identi-

fied a subset of light buyers who ate less than a dozen eggs per month. The objective focused on moving these light buyers into medium egg buyers and increasing overall sales by 3%. Additional research found that consumers viewed eggs as time consuming to prepare, saw fried or scrambled eggs as the only preparation options, and considered eggs as a healthy food like plant-based alternatives. These targeted consumers included demographics of men, young families, young singles, professional couples, and boomers.

A key component of the messaging included digital dissemination of egg recipes for snacks, lunch, or dinner. Media included TV, digital, and out-of-home. The creative resonated with consumers with funny situations where the person criticizing an egg-eater as exhibiting weird behaviour actually demonstrated weird behaviour themselves. One of the funnier examples showed a man saying eating eggs for dinner was weird when called to the dinner table and a woman replying that it was not weird and that the man's pants were weird. The visual humour is that the man's pants are unusually high above his waist, and quite possibly weird in many people's opinion. Post-campaign tracking registered a 30% increase in intentions to eat eggs for lunch and dinner. In addition, egg consumption grew more than any other food protein from 2019 to 2020.

QUESTION

1. What direction could the message go in a subsequent phase to encourage more egg eating beyond breakfast?

IMPLEMENT AND CONTROL THE IMC PLAN

Upon making the message and media decisions for each program, the manager implements the IMC plan. Most large companies hire advertising agencies to plan and produce their messages and to evaluate and purchase the media. Agencies usually work closely with their clients as they develop the ads and select media, because it is the advertiser that ultimately approves (and pays for) the creative work and media plan. The marketer's advertising agency may handle other IMC functions or contract them out to specialist agencies.

An evaluation of how well the IMC plan is meeting communication and behavioural objectives and achieving the brand's marketing objectives is required to know whether corrective steps are necessary. For example, problems with the advertising program may lie in the nature of the message or in a media plan that does not reach the target audience effectively. This final stage is designed to provide managers with continual feedback concerning the effectiveness of the promotional program, which is then used as input into future planning. As **Figure 1-7** shows, information on the results achieved by the promotional program is used in subsequent promotional planning and strategy development. For Chevrolet, the campaign posted impressive results: positive attitudes toward the brand on numerous measures, stronger purchase intentions, and 12% growth in sales.

Finally, note that IMC planning and marketing communication decision making relies on information derived from data, currently known as *marketing analytics*. The growth and application of this topic is at the forefront of academic research and managerial practice.⁶¹ As such, this book references key analytics where appropriate to see how data is used as information to make effective promotion decisions. But what does the future hold with so much data available? The answer may be artificial intelligence (AI). Marketing academics investigated the managerial implications for marketing strategy and the marketing mix with enhanced AI in the future. For advertising, the researchers envision automatic media and sales promotion planning and execution, and they expect that AI will invent customized and personalized creative messages that adjust based on a consumer's response. In short, the promotional planner's decision making described in this section will potentially be altered significantly.⁶²

LO5 IMC Planning: Organization of Text

This book provides an understanding of advertising and other elements of a firm's promotional mix and shows how they are combined to form a comprehensive marketing communications program with an IMC planning perspective. Each chapter concludes with an IMC planning section to relate the material to the content of an IMC plan and to illustrate how to make IMC decisions. The final section of this first chapter establishes this approach by illustrating how the text is organized into five major parts around the IMC planning perspective.

UNDERSTANDING INTEGRATED MARKETING COMMUNICATIONS

Part 1 comprises four chapters that define the topic and provide the context for marketing communication decisions. This initial chapter reviews marketing communication and the promotional mix and how they relate to marketing. The chapter also describes integrated marketing communication and the content of an IMC plan.

Chapter 2 describes how advertisers work with ad agencies and other firms that provide marketing and promotional services. Agencies are an important part of the IMC planning process as they assist in the decision making with promotional planners and execute the decisions by creating promotional messages.

Chapter 3 focuses on consumer behaviour, since promotional planners need to understand the behaviour they are attempting influence with their ads. It also summarizes how promotional planners select their target audience that guide the subsequent IMC plan decisions.

Chapter 4 reviews a communication model and a few communication response models for establishing a conceptual foundation to set objectives for an effective IMC program. The recommended approach is continued in future chapters.

ARTICULATING THE MESSAGE

Part 2 comprises five chapters and concerns decisions firms make to put together a persuasive marketing communication message. The ideas developed here are applicable for all aspects of IMC, as a key message point is addressed in the sales promotion, public relations, direct marketing, Internet media, and social media chapters.

Chapter 5 explains how to set IMC objectives to achieve the desired effects. A general model is explained for setting behavioural and communication objectives that are universally applicable to all parts of an IMC plan.

Chapter 6 reviews the important decisions to construct a brand positioning strategy. This is the heart of marketing communication, where decisions regarding how brands compete with marketing communication messages are determined.

Chapters 7 and 8 present the decisions about creative strategy and creative tactics that guide the development of the vibrant ads we experience daily. Creative illustration of a brand is the pinnacle task of creative specialists whose work is central for brand building.

Chapter 9 examines how to measure promotional message effectiveness. The research ideas presented in this chapter set the stage for understanding how to assess the effects of all aspects of the IMC plan found in later chapters.

DELIVERING THE MESSAGE

Part 3 comprises four chapters and explores the key media strategy, media tactics decisions, and budgeting for IMC, along with the planning of different media.

Chapter 10 provides technical information for media planning that is important for advertising and when implementing other IMC decisions that rely on media exposure. The strategic topics covered are media selection, audience and market coverage, scheduling, media reach, media frequency, and a few media tactics. The chapter explores how to construct and allocate a budget for an IMC plan.

Chapters 11, 12, and 13 describe the use and strengths and limitations of media choices historically labelled as *mass media* (i.e., television, radio, magazines, newspapers, out-of-home) for advertising. Once again, background on these topics is useful for implementing media exposure for the entire IMC program. Part of the expenditure in mass media directs consumers to Internet media and social media. Mass media are also used for presentation of sales promotion and public relations activities designed to foster goodwill among citizens.

STRENGTHENING THE MESSAGE

Our interest turns to the remainder of the promotional mix—sales promotion, public relations, direct marketing, Internet media, and social media—in Part 4, “Strengthening the Message.” Each is explored in its own chapter and related to communication objectives as done in Part 3.

Chapter 14 investigates consumer and trade sales promotions that are often combined with advertising to influence behaviour and communication. A multitude of options are available for planners to stimulate trial purchases and repeat purchases and to enhance brand equity.

Chapter 15 presents the topic of public relations and related topics of publicity through media and corporate advertising. Using public relations to build a corporate brand is an important topic for fully understanding how to put together a complete IMC plan.

Chapter 16 covers direct marketing and direct-response media. Improved technology allows brands to communicate to individuals directly and vice versa.

Chapter 17 examines the marketing communication and advertising via Internet media. Sections provide guidance for a digital advertising plan and options for different digital ad formats, and apply this direction for mobile.

Chapter 18 reviews social media communication regarding its paid, owned, and earned media characteristics. This point of view is applied for social networking, content communities, blogs, and projects. Social media influence concludes the chapter.

ADVERTISING AND SOCIETY

Part 5 concludes the book with a chapter that reviews advertising regulation and the ethical, social, and economic effects of a promotional program in society. Advertising is a very public and sometimes controversial part of any organization’s activities and **Chapter 19** explores the complexities of these points. Each of the four topics are relevant at varying points of the earlier chapters and may be read when desired.

Learning Objectives Summary

LO1

Describe the importance of marketing communication within the marketing mix.

Marketing combines four controllable elements, known as the marketing mix, into a comprehensive program that facilitates exchange with a group of customers. The elements of the marketing mix are the product, price, place (distribution), and promotion (market communication). Advertising and other forms of promotion are an integral part of the marketing process in most organizations since these tools communicate the value consumers receive within the exchange. Marketing communication conveys elements of the product through benefit claims and brand identity with the hopes of building brand equity. Providing price and distribution information are two other important roles of marketing communication so that value is perceived by both customers and non-customers.

LO2

Identify the content of the promotional mix—advertising, sales promotion, public relations, direct marketing, digital, and personal selling—and summarize their purpose.

Promotion is accomplished through a promotional mix that includes advertising, sales promotion, public relations, direct marketing, digital and personal selling. The inherent advantages and disadvantages of each of these promotional mix elements influence the success of the overall marketing program. In developing the promotional program, the manager must decide which tools to use and how to combine them to achieve the organization’s objectives. Many organizations assist promotional managers in developing or implementing their plans, including advertising agencies, media organizations, and specialized communication services firms like direct-response agencies, sales promotion agencies, interactive agencies, and public relations firms.

LO3

Illustrate the concept of integrated marketing communications (IMC) by distinguishing its evolution, renewed perspective, and content.

Integrated marketing communications (IMC) is viewed as a strategic and comprehensive planning perspective for all facets of an organization's marketing communication. An IMC perspective starts with the consumer as companies take an *audience contact* perspective by evaluating the potential ways of reaching their target audiences and presenting the brand message favourably. This perspective is critical since audiences receive messages from competing brands across different IMC tools. Long-term customer relationships through relationship marketing strategies to enhance the lifetime value of customers have altered the communication approach of promotional planners. The growth of Internet media and digital marketing renewed the historic idea of paid, owned, and earned media. An audience contact perspective and seeing all IMC tools along the notion of paid, owned, and earned provides IMC planners with a clearer direction for planning.

LO4

Explain the IMC planning process model and express the steps in developing a marketing communication program.

IMC management involves coordinating the promotional mix elements to develop an integrated program of effective marketing communication. The model of the IMC planning process contains five steps: (1) Review the marketing plan; (2) Assess the marketing communications situation; (3) Determine IMC plan objectives; (4) Develop IMC programs; and (5) Implement and control the IMC plan. This model is consistent with a general marketing planning model, but is more specific to the context of marketing communication. It shows that individual marketing communication tools achieve multiple objectives so that the completely integrated plan can build brand equity across multiple target audiences.

LO5

Identify how the IMC planning process is continued throughout all chapters.

The IMC planning process is an important perspective that is continually reinforced in every chapter. All chapter material for the rest of the book is presented with an approach to assist in decision making for every step.

Review Questions

1. Why is marketing communication important for communicating value to consumers?
2. How do smartphone brands use each marketing communication tool for communicating messages?
3. What are the reasons why marketers are taking an IMC perspective in their advertising and promotion programs?
4. What parts of the IMC planning model are similar to and different from a marketing planning model?
5. How is the structure of the book consistent with the content of an IMC plan?

Applied Questions

1. Consider how a university or college communicates value in its marketing communication to its prospective students and current students. In what ways are the two approaches similar or different?

2. Identify all the possible marketing communication tools that a favourite brand or performance artist is using. Try to explain why these tools were selected. In what ways did the tools support one another? How did they not support one another? Was each tool effective or ineffective?
3. Find one example where all promotional tools of a brand have the same look and feel, and find another example of a brand where the promotional tools have a different look and feel. Why did these decisions occur, based on relevant situation analysis variables?
4. Why is it important for those who work in the field of advertising and promotion to understand and appreciate all IMC tools, not just the area in which they specialize?
5. How does one of your favourite brands link or integrate its different IMC communication tools? Is it done effectively?

CHAPTER TWO

Working with Agencies for IMC



ammentorp/123RF

LEARNING OBJECTIVES

- LO1** Summarize the advertising agency industry.
- LO2** Identify the services a full-service advertising agency provides to its clients.
- LO3** Describe methods for compensating and evaluating an advertising agency.
- LO4** Review the functions of specialized marketing communication organizations.
- LO5** Evaluate issues regarding the agency-client relationship.

Creative Concepts via Rethink's Crafts^A

Rethink received awards from *Strategy* in 2020 and 2021 reflecting the independent agency's creative talent and management to "rethink" its clients' creative requirements. Rethink began in 1999 when a major agency bought the Palmer Jarvis agency where the three principles previously worked. Since then the agency has innovated with creative messages, culminating in another phase of success with recent clients like Heinz and IKEA.

Rethink's work for Heinz Ketchup is the kind that other agencies wished they did. The "Pour Perfectly" creative placed the label on the bottle incorrectly so that when turned correctly the bottle hit the perfect angle for pouring. The "Heinz on Film" creative collected clips of movies that featured the iconic product. The "Heinz Ketchup Puzzle" is a premium with 570 pieces given away for free 57 times in 17 countries. Eventually, the brand also sold 7,000 puzzles, which translated into a \$25,000 gain for food banks. The "Draw Ketchup" creative invited consumers to literally "draw ketchup," with many mimicking the Heinz bottle. Creatives like this established Rethink as the AToMiC (advertising, media, technology, and content) grand prix winner in 2021 and the overall Agency of the Year and Design Agency of the Year for 2020.

To achieve this impressive recognition, the Rethink owners believe in "the Rethink machine," where all personnel follow a consistent process of generating 100 creative ideas to address the client's marketing communication

issue. The broad list is whittled down with an internal review process where other creative personnel evaluate the ideas from the view of the client's target audience. The method the colleagues use for evaluating the creative ideas follow CRAFTS criteria: clear, relevant, achievable, fresh, true, and shareable. The top 10 ideas are sent to the creative director, who presents the top six to eight to the client in a short and easily understood format to select the winning idea. A key success factor, according to one partner, is that Rethink identifies what makes a brand iconic and contextualizes it within the current climate.

Rethink found the iconic essence of IKEA and applied its CRAFTS criteria with its latest creatives for the sustainable retailer. The "One Little Thing" creative shows how individuals contribute to a more sustainable planet by doing small things within their own little world. The imagery of the video message placed each person on their own planet to symbolize that their action affected the whole planet Earth. The "Scrap Ballet" creative showed a couple dancing in the kitchen to visually communicate how they artistically put together a meal with the few ingredients remaining in the refrigerator. The creative idea carried on to the "Scrapsbook," which listed recipes that used everyday kitchen scraps.

Question

1. What is your opinion of the creative process Rethink follows for its clients?

Developing and implementing an IMC program is usually a complex process involving the efforts of individuals from the marketing firm, the advertising agency, and usually additional agencies who specialize in other promotional areas. Strong relationships with these agencies are important as their expertise in creative planning, media placement, digital executions, and other activities (e.g., sales promotion, public relations) contributes to successful brand development. Alternatively, brands may work with a full-service marketing communication agency capable of providing expertise for all IMC decisions. In either case, understanding how brands work with agencies provides insight to understand how IMC planning is ultimately implemented.

This chapter explores how marketing firms and their managers work with agencies. First, the chapter summarizes the advertising agency industry. It then identifies the characteristics of a full-service agency. Next, the chapter describes methods for compensating and evaluating agencies. Subsequently, it reviews the functions of specialized marketing communication organizations such as creative boutiques; media buying services; direct-response, sales promotion, and digital agencies; and public relations firms. The IMC planning section evaluates whether marketing firms are best served by using the integrated services of one large agency or the separate services of multiple marketing communication specialists.

LO1 Advertising Agencies

Marketing firms work with advertising agencies to achieve their brand objectives, as identified in the previous chapter. The variety of different types of advertising agencies make the selection of the right partner an important decision for each advertiser. This section provides an overview of advertising agencies by reviewing the agency decision an advertiser firm usually evaluates and by highlighting the advertising agency industry.

ADVERTISING AGENCY DECISION

Marketing decision makers have a choice of whether the organization employs its own in-house agency or whether it contracts the services of an external advertising agency. Interestingly, a trend exists where major corporations employ both approaches and allow collaboration between the two types of agencies.¹ Thus, the decision is sometimes an either/or choice, but realistically it is more likely that some promotional programs are in-house while others are implemented by working with an agency.

In-House Agency

An **in-house agency** is an advertising agency that is set up, owned, and operated by the advertiser. Some in-house agencies are essentially advertising departments, but in other companies they are given a separate identity and are responsible for the entire advertising expenditure. Research found that about half of all companies use an in-house agency and that the likelihood of this occurring decreases with larger advertising budgets but increases with advertising intensity (i.e., advertising/sales ratio), with technological intensity, and for creative industries.² Some companies use in-house agencies exclusively, while others combine in-house efforts with those of outside agencies. For example, Vancouver-based Saje sells natural skin care products in over 70 North American stores. The in-house creative team is responsible for website design, social media, events, gifts, paid Instagram ads, location-based ads, community and promotion partnerships, in-store promotional efforts and design.³

A reason for using an in-house agency is to reduce advertising and promotion costs, because companies with large advertising budgets pay a substantial amount to outside agencies. An in-house agency can also provide related work—such as sales presentations, package design, and public relations—at a lower cost than outside agencies. One study found that creative and media services were the most likely functions performed outside, while merchandising and sales promotion were the most likely performed in-house.⁴ Time savings, bad experiences with outside agencies, and stronger understanding of the market arising from continuous work on advertising and promotion for the product also support in-house agency use. Companies can maintain tighter control over the process and coordinate promotions with the firm's overall marketing program.

A limitation of an in-house agency is that personnel may grow stale while working on the same brand or product line in comparison to an outside agency where creative specialists design campaigns for a variety of brands and product categories. Furthermore, strategic brand change decisions made in an in-house agency could be slow compared to the flexibility of using an outside agency. And market opportunities may highlight the need to move away from the in-house option. For example, Under Armour's growth in the athletic shoe and apparel market required the brand to move some in-house advertising to an agency. It hired Droga5 to work for its women's business, and the agency developed award-winning ads including the "I Will What I Want" campaign featuring Gisele Bündchen and ballerina Misty Copeland shown in **Exhibit 2-1**.

EXHIBIT 2-1 Under Armour uses Droga5 to handle much of its advertising.



Source: Under Armour, Inc.

Interesting trends for this topic have emerged recently in Canada, according to survey data. Brands moved some agency services in-house during 2020 due to restricted advertising budgets. The top services going in this direction included email, website design, and social media. Alternatively, strategic thinking and creative decisions remained strong within the domain of external advertising agencies.⁵ Telecommunications and media brand Quebecor expanded its internal Colab Studio when it brought the creative services for the Videotron and Fizz brands in-house. The company expected more of a collegial relationship versus an agency relationship between Colab Studio and the brand managers, and the change coincided with creative personnel desiring a more stable work environment.⁶ Agency Zulu Alpha Kilo and Consonant Skincare agreed to change their relationship from agency and client. The former purchased an equity position in the latter, and Zulu's existing dedicated team morphed into an in-house agency.⁷

Advertising Agency

Major companies use an advertising agency to assist them in developing, preparing, and executing their promotional programs. An ad agency is a service organization that employs highly skilled personnel and specializes in planning and executing advertising programs for its clients. An advertising agency's staff may include artists, writers, media analysts, researchers, and others with specific skills, knowledge, and experience who can help market the client's products. Agencies may specialize in a particular type of business and use their knowledge of the industry to assist their clients. Alternatively, the agency can draw on the broad range of experience while working on diverse marketing problems for assorted clients and apply this knowledge for new clients. Sid Lee is an example of a successful Canadian agency that now boasts a strong international presence after establishing itself domestically (**Exhibit 2-2**).

EXHIBIT 2-2 Sid Lee is a great Canadian success story as a marketing communication agency.



©Sid Lee

Canada, Egg Farmers of Canada, and General Mills Canada. In 2018, the agency took home 10 Cannes Lions, including the Grand Prix, for its “Follow the Arches” campaign for McDonald’s. Cossette’s deep understanding of McDonald’s business challenges resulted in a creative concept that was immediately embraced and recognized for its value to McDonald’s Canada. The creative used segments of the iconic golden arches to indicate the location of nearby McDonald’s restaurants to drivers (on the left, on the right, next exit, just missed it) and the quick-service brand provided the campaign to marketing teams in 120 other countries.¹⁰

The Association of Canadian Advertisers offers its members a 10-chapter document that guides the process for selecting a marketing communications partner. The steps of the process include initial consideration, preparation, need identification, search criteria, agency list, pitch, evaluation, financial criteria, final selection, and conclusion. In the end, the client and agency form a partnership where the responsibilities of each are recorded and agreed upon with the intention being to have a positive working relationship. The document also provides forms and examples for advertisers to make records during the selection process.⁸

Agency of record (AOR) is the term used to describe situations where a client works with a primary agency exclusively. It is the foundation on which the advertising agency business exists—a service provider whose foremost interest is in building the client’s brand. An example of a longstanding relationship of a Canadian agency and a major brand is Cossette with McDonald’s, who have worked together for over 40 years.⁹ An agency decides how many and which accounts to attract for AOR status based on its resources and capacity. Within the relationship, the AOR retains complete promotional responsibility to the client but may subcontract work to other specialized agencies with critical expertise. Finally, clients periodically put their AOR account up for renewal with a request for proposals (RFP), which allows other agencies to make a presentation to win the account.

Cossette is a noteworthy example of an agency with successful AOR client relationships. In fact *Strategy* magazine recognized Cossette as Agency of the Year for 2016, 2017, and 2018 for its excellent work for SickKids Foundation, McDonald’s, VIA Rail

ADVERTISING AGENCY INDUSTRY

EXHIBIT 2-3 TAG Heuer’s global campaign features famous people from around the world.



Source: TAG Heuer

The Canadian advertising agency industry features small and mid-sized domestic firms and large international organizations with domestic service providers. The presence of international ad agencies in Canada reflects a global trend of large agencies merged with or acquired by other agencies and support organizations that provide clients with IMC services worldwide. Mid-sized agencies were acquired by or forged alliances with larger agencies because clients wanted an agency with IMC capabilities, and their alignment with larger organizations permitted access to a network of agencies around the world. Currently, most major agencies offer specialized services in areas of interactive communications, direct marketing, PR, and sales promotion so that they can provide their clients with an ever-broader range of IMC services. In fact, a larger multiservice firm is a **marketing communication agency**, making the term “advertising agency” somewhat obsolete for these situations. Larger international marketing communication agencies facilitate global campaigns. For example, the ad in **Exhibit 2-3** by TagHeuer is an example where the message and creative concept resonates in many countries, necessitating an agency with a worldwide presence.

Figure 2-1 summarizes the five major international marketing communication conglomerates and their major divisions.¹¹ The most significant global player with an original Canadian presence is Vision7 International. Formerly known as Cossette, it retains this brand name among other agencies across multiple services. As expected, two players (Omnicom and Interpublic) are based in New York; each includes famous advertising agencies recognized for their creative talent. Additionally, the table includes two European conglomerates, WPP and Publicis, which own established American advertising greats Ogilvy and JWT, and BBDO and DDB, respectively. Although Dentsu is based in London, its origin and one main division are Japan-based. A sixth global player not listed, Havas, amalgamated previously acquired

agencies under its corporate name. Although a trend toward international holding companies occurred over numerous decades, a study using American data concluded that the advertising services industry concentration levels are consistent with past decades, thereby providing a robust competitive market.¹²

Figure 2-1 Largest international marketing communication firms

WPP	Omnicom	Publicis	Interpublic	Dentsu Aegis
JWT	BBDO	Leo Burnett	Mediabrand	Canat
Hill+Knowlton	DDB	Saatchi & Saatchi	McCann	Dentsu Media
Young & Rubicam	TBWA	Publicis Media	FCB	Isobar
Group M	OMG	Publicis	CMG	DentsuBos
Ogilvy	DAS Group			

Source: *Strategy*, "The 2018 Agency Family Tree," <http://strategyonline.ca/2019/03/22/the-2019-agency-family-tree>

Zulu Alpha Kilo (Zulu) emulated other successful Canadian agencies like Taxi and Sid Lee that started small a couple of decades ago and achieved critical acclaim. Zulu is known as a brand transformation agency, handling clients' brands that are in need of a major strategic or creative shift. Its innovative management style resulted in playfully identifying its employees as Zulligans who produce superior work. For example, they retooled Interac's imagery with many campaigns to encourage consumers to use their debit card and other payment forms instead of their credit card. Starting with Bell as its first account in 2008, Zulu amassed over 1,000 awards in its first decade! Zulu received *Ad Age's* Small Agency of the Year Award in 2016, and the publication's International Small Agency of the Year Award in 2017. Moreover, Bell appears completely satisfied with the work since Zulu provided a new visual identity and brand positioning strategy that still remains in use.¹³

As an alternative to larger agencies, small and mid-sized agencies handle local and regional work throughout Canada. Vancouver-based agency 123w won the Small Agency of the Year award from *Strategy* in 2020 and provides services to west coast-based brands. Established in 2013 with four founders with years of industry experience, the agency prides itself on a low-overhead operation to direct resources to the creative talent of their staff. With motivated and dedicated creative staff, 123w works with their clients immediately and involves them in the creative process completely.¹⁴ C&B Advertising of Calgary works with Travel Alberta and other related tourism clients, along with Big Rock beer.¹⁵ doug&partners of Toronto works with clients from a variety of industries like tourism with Fox Harb'r Resort, non-profit with Plan International Canada, automotive with Honda, and organic food with Rawcology.¹⁶ Many agencies developing national campaigns or regional campaigns in Quebec require assistance to adapt the message to fit the language and culture; these agencies often work with the Montreal-based agency The French Shop.¹⁷ In St. John's, Target won the Small Agency of the Year award from *Strategy* in 2019 and continues to focus on differentiating their clients' brands with unconventional and unexpected strategic solutions.¹⁸

It is super exciting for students to see Canadian examples of new agencies begun by creative leaders since it opens the door for entrepreneurial job opportunities. These smaller agencies develop successful campaigns for their clients, but sometimes after a decade or two a larger agency conglomerate buys out the independent agency. In certain cases the agency thrives in its new structure, and in other cases the agency withers without the leadership of the departed founder. A few different arrangements for succession planning has emerged in Canada, however some hot agencies of a few years ago do not live up to the past glory and award-winning work.¹⁹ In contrast, some agencies continue with their initial momentum by adding additional services and clients and growing geographically. For example, No Fixed Address opened divisions for public relations and media, attracted health business clients, expanded to Quebec with the purchase of a local agency, and established an office in New York City.²⁰

The ad agency industry is strong, as demonstrated by international conglomerates employing hundreds of thousands of people and achieving billions of dollars in sales, but digital media giants like Google and Facebook threaten the agency business much like media firms experienced. The two digital firms reached 25% of the global ad business in media expenditures, and this dominance opened the opportunity to move toward message development as they hire creative talent.²¹

LO2 Full-Service Advertising Agency

Figure 2-1 showed that the advertising agency industry includes many full-service agencies. It follows logically that the content and activities of a full-service agency is important information to understand to see how advertising is conceived and implemented. This section identifies these key characteristics initially and then covers them sequentially.

ORGANIZATIONAL CHART

The services offered and functions performed by an agency vary depending upon its size. A larger agency is usually a **full-service agency** that offers its clients a complete range of marketing, communication, and promotion services including planning, performing research, creating the promotional message of the ad campaign, producing the advertising, and selecting media. A full-service agency may also offer non-advertising services, such as strategic market planning, sales promotions, direct marketing, interactive services, public relations and publicity, and package design. The full-service agency has departments led by a director that provide the activities needed to perform the advertising functions and serve the client, as shown in **Figure 2-2**.

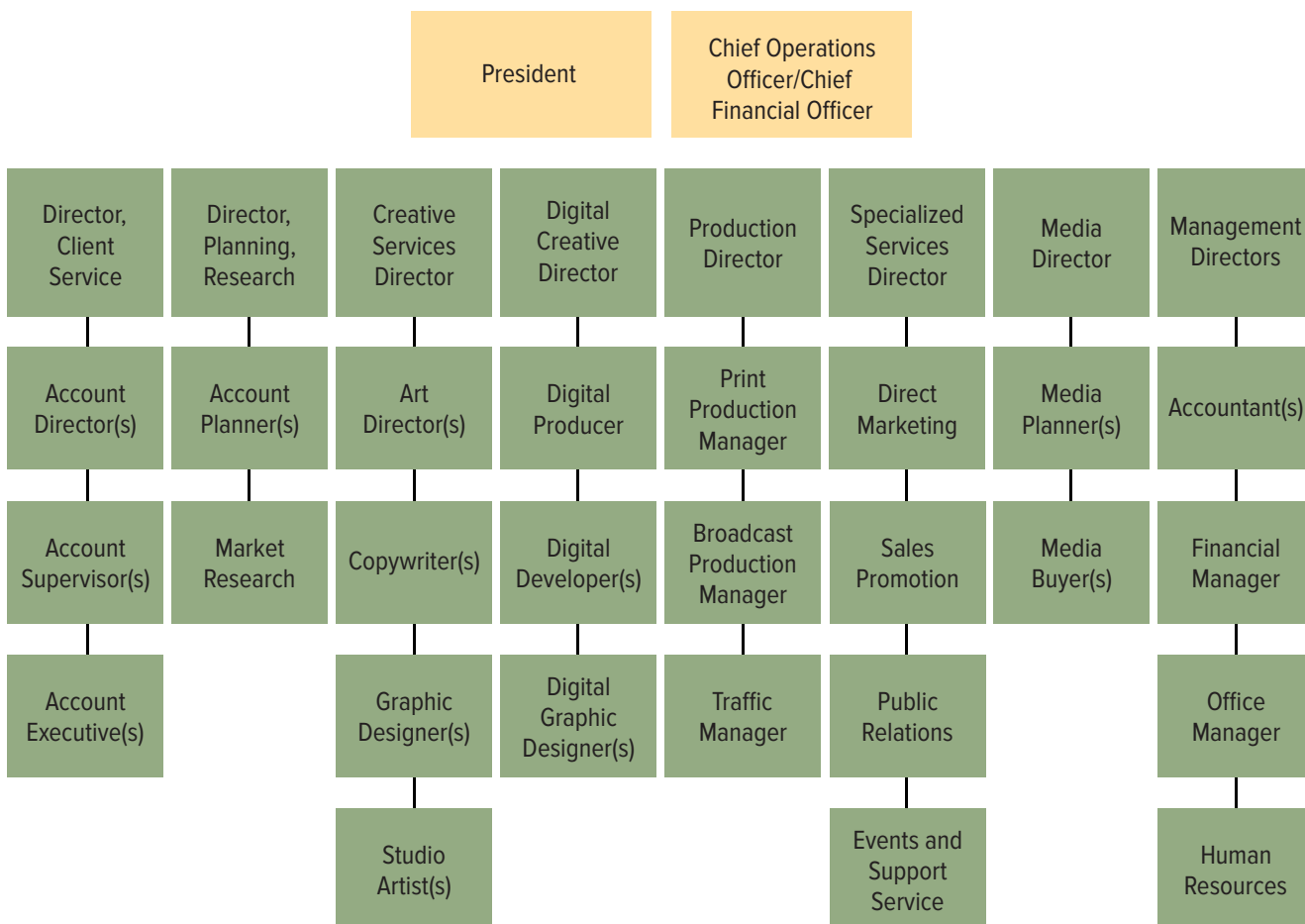
ACCOUNT/CLIENT SERVICES

Account services, or client services, is the link between the ad agency and its clients. Depending on the size of the client and its advertising budget, one or more account executives serve as liaison. The **account executive** is responsible for understanding the advertiser's marketing and promotions needs and interpreting them to agency personnel. The account executive coordinates agency efforts in planning, creating, and producing ads, and also presents agency recommendations and obtains client approval. As the focal point of agency-client relationships, the account executive knows a great deal about the client's business and is able to communicate this to specialists in the agency working on the account. The ideal account executive has a strong marketing background and a thorough understanding of advertising.

PLANNING/RESEARCH SERVICES

Most full-service agencies maintain a research department whose function is to gather, analyze, and interpret information as input for advertising decisions. Both primary research—where a study is designed, executed, and interpreted by the research department—and secondary (previously published) sources of information are relied upon. The research department also acquires studies conducted by independent syndicated research firms or consultants, interprets the findings, and disseminates

FIGURE 2-2 Full-service agency organizational chart



the information to agency personnel working on that account. The research department may pre-test the effectiveness of advertising with copy testing to determine how messages developed by the creative specialists are interpreted by the receiving audience.

Research services may be augmented with services performed by account planners who work with the client and other agency personnel (including the account executives, creative team members, media specialists, and research department personnel) to collect information to better understand the client's target audience and the best ways to communicate with them. Secondly, account planners also gather and organize information about consumers, competitors, and the market to prepare the **creative brief**, which is a document that the agency's creative department uses to guide the development of advertising ideas and concepts. Thirdly, account planners may also be involved in assessing consumers' reactions to the advertising and other elements of the IMC program and providing the creative staff and other agency personnel with feedback regarding performance. Thus, account planners are important because they provide the creative team, and other agency personnel, with consumer insight and guidance for IMC plan decisions.²² However, account planning is demanding with the increased number of marketing communication channels and the extensive expertise planners are required to acquire to interact with individuals from all marketing communication disciplines. In Canada, the number of senior level planners grew significantly with agencies aligning organizational structure and responsibilities to ensure that optimal strategic planning occurs for all clients.²³

CREATIVE SERVICES

The creative services department is responsible for the creation and execution of advertisements. The individuals who conceive the ideas for the ads and write the headlines, subheads, and body copy (words of an ad message) are known as **copywriters**. They may also be involved in determining the message appeal and/or theme of the ad campaign and prepare a rough initial visual layout of the print ad, television commercial, or social media video. While copywriters are responsible for what the message says, the art director, graphic designers, and studio artist are responsible for how the ad looks. For a print ad, they prepare a **layout**, which is a drawing that shows what the ad will look like and from which the final artwork will be produced. For a TV commercial or other video content, the layout is known as a **storyboard**, a sequence of frames or panels that depict the commercial in still form. Creative inspiration and imagination are primary talents demonstrated by personnel in this department, which is seen in unique and unexpected messages such as this Domino's Pizza ad run in Japan extolling the brand's ability to deliver to the moon! (**Exhibit 2-4**).

EXHIBIT 2-4 Domino's Pizza used a humorous Moon Branch Project creative in Japan.



Source: Domino's IP Holder LLC

An initial step undertaken by the the creative services department is approval from the client for the message creative designed to influence the target audience. This can be very extensive, as evidenced by the following example. A direct-to-consumer pharmaceutical company requested a creative for a TV message from the agency Brightworks. The president gave the assignment to four creative team members who pitched 27 creative concepts! This demonstrates how critical agency work is for clients and how important it is to get the message right before actually producing ads.²⁴

Members of the creative department work together to develop ads that are consistent with the creative strategy decisions agreed upon with the client. Writers and artists generally work under the direction of the agency's creative director, who oversees all the advertising produced by the agency. The director sets the creative philosophy of the department and may even become directly involved in creating ads for the agency's largest clients. The creative director's job is quite demanding, even more so with digital media executions that take advantage of interactive media characteristics. Agencies use all sorts of activities to keep their creative skills sharp. Rethink divides its office into teams who receive a fictional creative brief and then deliver a creative concept by the end of the day. Staff also reveal untapped creative talents during "experimental play time" to keep them ready for innovative ideas for future client briefs.²⁵

DIGITAL CREATIVE SERVICES

Digital creative services share similarity with established creative departments with respect to copywriters and specialists with graphics skills. However, other personnel with computer technology skills are required for programming various interactive features of creative ads found in Internet media vehicles. Moreover, this genre of creativity includes an interactive producer to oversee all operations and to coordinate with creative work done in mass media.

Figure 2-2 highlighted the distinction between a creative services director and a digital creative services director, but a recent trend shows that this separation is less useful for agencies that integrate their clients' campaigns across non-digital and digital media. Research discovered that some agencies moved away from having two departments, and yet each of the departments expanded their digital capability by adding new positions oriented toward digital technology.²⁶ **Figure 2-3** highlights these emerging agency positions located within the existing agency organizational structure titles. As this table implies, digital technology specialists are integrated early on within the creative development process.

Figure 2-3 Emerging agency positions

Client Service	Project Manager, Client Manager
Planning	Communication Planner, User Experience Strategist, Digital Analyst, Digital Strategist, Social Strategist, Content Strategist,
Creative Services	Creative Technologist, User-Experience Designer, Digital Designer
Production	Front-End Developer, Back-End Developer, Quality Analyst

Research in another direction qualitatively investigated the views of personnel regarding the changes occurring in agencies due to increased use of digital. The study made three significant conclusions: (1) The planning department in full-service agencies is changing significantly, consistent with the summary in **Figure 2-3**. (2) digital growth spawned both an opportunity for effective client service and a threat for budgeting and managing campaigns requiring integration. (3) Even though digital is a significant change, the importance of the creative idea still remains quite prevalent for success.²⁷

PRODUCTION SERVICES

The ad is turned over to the production department once the copy, layout, illustrations, and mechanical specifications are completed and approved. Most agencies do not actually produce finished ads but subcontract services of printers, engravers, photographers, typographers, and other suppliers. For broadcast production, the storyboard is turned into a finished commercial. The production department may supervise the casting of people to appear in the ad, determine the setting for the scenes, and choose an independent production studio. The department may also subcontract an outside director to turn the creative concept into a commercial. Specialists from all departments and client representatives may participate significantly for big budget productions. A **traffic department**, or traffic manager, coordinates all phases of production to ensure the ads are completed and transmitted to the media on time. BBDO is an agency where production occurs within the agency. One example of their work is the online Doritos Ketchup + Original videos featuring over 20 unique short films designed to encourage Gen Z consumers to “stream and snack” while relaxing.²⁸ Agency 123w brought production in-house recently and successfully developed a campaign for Mogo, a BC-based financial technology brand.²⁹

SPECIALIZED SERVICES

Large, full-service agencies offer additional marketing services to their clients to assist in other promotional areas. An agency may have a sales promotion department, or merchandising department, that specializes in developing contests, premiums, promotions, point-of-sale materials, and other sales materials. It may have direct-marketing specialists and package designers, as well as a PR/publicity department. Returning to Sid Lee, the agency innovated for decades by offering its clients specialized services. Its most recent innovation featured its inclusion within a collective of like-minded creative agencies named Kyu. The collective includes agencies offering design, consulting, digital, and data services.³⁰ One Method is noted for its extensive specialized services in experiential advertising and brand design. A recent success story featured The Kit Kat Chocolatory in Toronto, where customers created a customized version of the popular chocolate bar. The agency created the physical retail outlet and the communication needed to fulfill the transaction to create an enjoyable customer experience.³¹

MEDIA SERVICES

The media department of an agency analyzes, selects, and contracts for space or time in media used to deliver the client's advertising message. The media department develops a media plan that reaches the target audience to communicate the message effectively. Since most of the client's ad budget is spent on media time or space, this department also ensures the plan communicates to this audience efficiently. Planning is considerably complex due to the potential to place any advertising format (e.g. video, print, audio) in virtually any media space. For example, video messages are placed outdoors, on TV, at cinemas, within social media, near online news articles and at different video host sites!

Media specialists know what audiences the media reach, their rates, and how well they match the client's target audience. The media department reviews information on demographics, magazine and newspaper readership, radio listenership, and consumers' TV and Internet viewing patterns to develop the media plan. The media buyer implements the media plan by purchasing the actual time or space. Computerized decision support systems assist in this research as demonstrated in the subsequent media chapters later in the book. The media department is an important part of the agency business, as large advertisers consolidate their media buying with one or a few agencies to improve media efficiency. An agency's strategic ability to negotiate prices and effectively use the vast array of media vehicles available is as important as its ability to create ads. Full-service agencies see value in offering this service since media companies are competing against agencies by offering creative services.

ORGANIZATIONAL SYSTEM

To provide superior service for its accounts, agencies use the **group system**, in which individuals from each department work together in groups to service particular accounts. In contrast to the **departmental system** discussed thus far, each group is headed by an account executive and includes media planners and buyers; a creative team, which includes copywriters, art directors, artists, and production personnel; and individuals from other departments. The size and composition of the group varies depending on the client's billings and the importance of the account to the agency. For very important accounts, the group members may be assigned exclusively to one client. A group system is preferred because employees become knowledgeable about the client's business and there is continuity in servicing the account. An example of this group system is Cloud Raker, who began work with pharmaceutical brand Merck. After developing proficiency, the digitally oriented agency created an entire "pharma division" to serve all of its new clients.³² Similarly, the Canadian division of the McCann agency operates a dedicated health care team to serve clients in this industry. It is part of the largest health care agency network in the world that spans across all the McCann divisions worldwide.³³

LO3 Agency Compensation and Evaluation

Agencies select from a variety of compensation methods to charge their clients, depending on the type and amount of service provided. This section reviews these methods, examines the related topic of performance evaluation, and explores the performance-related reasons why clients switch agencies

COMMISSIONS FROM MEDIA

The historical method of compensating agencies is through a **commission system**, where the agency receives a specified commission (usually 15%) from the media on any advertising time or space it purchases for its client. This system provides a simple method of determining payments, as shown in the following example.

Assume an agency prepares a full-page magazine ad and arranges to place the ad on the back cover of a magazine at a cost of \$100,000. The agency places the order for the space and delivers the ad to the magazine. Once the ad is run, the magazine will bill the agency for \$100,000, less the 15% (\$15,000) commission. The media will also offer a 2% cash discount for early payment, which the agency may pass along to the client. The agency will bill the client \$100,000 less the 2% cash discount on the net amount, or a total of \$98,300, as shown in **Figure 2-4**. The \$15,000 commission represents the agency's compensation for its services.

Figure 2-4 Example of commission system payment

Media Bills Agency		Agency Bills Advertiser	
Costs for magazine space	\$100,000	Costs for magazine space	\$100,000
Less 15% commission	<u>-15,000</u>	Less 2% cash discount	<u>-1,700</u>
Cost of media space	\$ 85,000	Advertiser pays agency	\$ 98,300
Less 2% cash discount	<u>-1,700</u>		
Agency pays media	\$ 83,300	Agency income	\$ 15,000

Critics of the commission system argue that it encourages agencies to recommend high-priced media to increase their commission level. Another concern is that it ties agency compensation to media costs, allowing the agency to be disproportionately rewarded. Critics have argued that it provides an incentive for agencies to recommend mass-media advertising when other forms of communication might do a better job.

Defenders of the commission system argue that it is easy to administer and it keeps the emphasis in agency competition on non-price factors like advertising quality. Proponents argue that agency services are proportional to the size of the commission, since more time and effort are devoted to the large accounts that generate high revenue for the agency. They also say the system is more flexible than it appears because agencies perform other services for large clients at no extra charge, justifying such actions by the large commission they receive.

Agencies rely less on media commissions for their income as clients expand their IMC programs to include other forms of promotion and use less media advertising. Instead, advertisers used a **negotiated commission** system where commissions average 8–10% and are based on a sliding scale that becomes lower as clients' media expenditures increase. As the percentage of agency income from media commissions declines, a greater percentage is coming through other methods such as fees and performance incentives.

FEE ARRANGEMENT

There are two types of fee arrangement systems. In the straight or **fixed-fee method**, the agency charges a monthly fee for all of its services and credits to the client any media commissions earned. Agency and client agree on the specific work to be done and the amount the agency will be paid, a key step to avoid future disagreements. Sometimes agencies are compensated through a **fee-commission combination**, in which the media commissions received by the agency are credited against the fee. If the commissions are less than the agreed-on fee, the client makes up the difference. If the agency does much work for the client in non-commissionable media, the fee may be charged over and above the commissions received. Both types of fee arrangements require that the agency carefully assess its costs of serving the client for the specified period, or for the project, plus its desired profit margin.

COST-PLUS AGREEMENT

Under a **cost-plus system**, the client agrees to pay the agency a fee based on the costs of its work plus an agreed-on profit margin (often a percentage of total costs). This system requires that the agency keep detailed records of the costs it incurs in working on the client's account. Direct costs (personnel time and out-of-pocket expenses) plus an allocation for overhead and a markup for profits determine the amount the agency bills the client. An agency can add a markup of percentage charges to various services the agency purchases from outside providers (e.g., market research, artwork, printing, photography).

The fee-based system might be advantageous to both the client and the agency, depending on the size of the client, advertising budget, media used, and services required. Clients prefer fee or cost-plus systems because they receive a detailed breakdown of where and how their advertising and promotion dollars were spent. However, these arrangements are challenging for the agency, as they require careful cost accounting to estimate when bidding for an advertiser's business, and allow clients to see their internal cost figures.

INCENTIVE-BASED COMPENSATION

Clients expect accountability from their agencies and link agency compensation to performance through an **incentive-based system**. The idea is that the agency's compensation level depends on how well it meets predetermined performance goals; clear objectives of the promotional plan are compared to the actual measured performance. A summary of this approach in Canada is currently provided to members of the Association of Canadian Advertisers.³⁴ This is a specific application of a general approach used in many facets of business known as *performance by results* (PBR). PBR in advertising remuneration occurs where the advertising agency fee is adjusted by a reward based on the degree of achieving mutually agreed upon objectives between the client and the agency. Overall, the remuneration is part of a system of linking performance, its measurement, and reward within the client-agency relationship. The benefits of the PBR system are:

Greater efficiency and accountability	Stronger mutual understanding
Achievement of cost efficiencies	Improved retention of creative talent
Higher productivity	Increased agency strategic input
Fewer barriers of self-interest	Improved client-agency communication

Three groups of performance measures are critical in the PBR system: overall business performance, marketing communication effectiveness, and agency process evaluation. Business measures include sales, market share, profitability, and margins. Examples of marketing communication effectiveness measures include brand awareness, brand image ratings, and likability of advertising. This group also includes four behavioural objectives: intent to purchase, trial, repeat purchase, and brand loyalty. Decisions regarding these first two groups are covered with greater detail in later chapters, but for now it is worth noting that the relative importance of each measure from each group is assessed and determined for a brand and its marketing situation. In addition, the measures selected from each group take into account the objectives of promotion in the marketing mix and how promotion contributes to business results for the brand within the product category or industry. The final group of performance measures, agency process evaluation, concerns the services the agency provides and its overall management, as noted in the previous section.

EVALUATION OF AGENCIES

Clients review their agency's performance much like any organization reviewing the performance of its suppliers. The agency evaluation usually involves two types of assessments—one that is financial and operational, and another that is more qualitative. The **financial audit** focuses on how the agency conducts its business. It is designed to verify costs and expenses, the number of personnel hours charged to an account, and payments to media and outside suppliers. The **qualitative audit** focuses on the agency's efforts in planning, developing, and implementing the client's advertising programs and considers the results achieved.

Clients may formally evaluate their agency in areas of performance such as account management, creative, planning and research, production, media planning and buying, budget and financial, agency management, direct marketing, interactive marketing, and public relations. Consistent with PBR, advertisers develop formal, systematic evaluation systems, particularly with large ad budgets. Alternatively, agency evaluation might be done on a subjective, informal basis, particularly in smaller companies where ad budgets are low or advertising is not viewed as a critical factor in the firm's marketing performance.

The evaluation provides valuable feedback to both the agency and the client, such as indicating how both could improve their performance and how both could make the relationship more beneficial. Agencies with very long-lasting client relationships may eventually switch agencies for reasons summarized in **Figure 2-5**.³⁵ If an agency recognizes these warning signs, it can adapt to make sure the client is satisfied and avoid losing the business. Some of the situations identified are unavoidable, and others are beyond the agency's control. One study reports that a decline of market share in the immediate two quarters precedes an agency firing.³⁶ So despite doing everything in its power, an agency could experience the effect of weak performance in other marketing mix variables of the client's brand.

Figure 2-5 Common reasons for agencies to lose clients

Performance Quality	Client is dissatisfied with the advertising and/or service.
Declining Sales	Client's sales decline is attributed to advertising.
Communication	Poor working relationship and weak personal communication exist.
Demands	Client expects service beyond the compensation paid.
Conflict	Rapport is lacking among those working together.
Conflicts of Interest	A change in either business creates an unworkable situation.
Conflicting View	Disagreement regarding compensation.
Size Change	Agency or client outgrows the other.
Strategy Change	Client strategy change requires a new agency.
Personnel Change	New personnel prefer to work with established colleagues.
Policy Change	Either party reevaluates the importance of the relationship.

IMC Perspective 2-1 summarizes examples of brands changing their agency of record. In some cases, brands expanded the working relationship after an initial assignment, while in other cases brands established an RFP with a likely intention to change their AOR.

IMC PERSPECTIVE 2-1

AGENCIES TRADING PLACES^B

Situations of long-term working relationships between a client and its AOR exist. But changes in these relationships occur regularly, as news stories arise seemingly every week in the industry owing to the vast number of advertisers and service providers. A few recent changes from a variety of brands highlight the dynamics of these new agency–client relationships.



bubly sparkling water/Mega / Newscom/
IBLIM/Newscom

PepsiCo named Motive as AOR to handle advertising and marketing for some of its main beverage brands while retaining BBDO for a few of its food brands. Motive initially provided brand activation services but developed Canadian creatives for Bubly, featuring Michael Bublé as the spokesperson, and Pepsi Zero, featuring an ice cube desiring to be with the beverage. Impressed with these results, PepsiCo expanded the mandate for Motive based on a collaborative working relationship.

Mondelez International, the company with famous brand names in the chocolate bar, biscuit, and candy product categories, reviewed its global strategy and consolidated

its creative with WPP and Publicis in Canada to balance its communication between global and local brands. Previously, the Canadian division worked the numerous agencies across multiple international conglomerates and independents. The creative review followed a media review in the previous year that resulted in changes to streamline operations. The creative review lasted about four months, and executives expected a 16-month transition phase. A key benefit is for local brands to access international creative talent more easily with the goal of stronger storytelling brand messages.

Similarly, Rogers amalgamated its creative, media, and analytics work with WPP who created a dedicated account team. After working successfully with Taxi (part of WPP), Rogers initiated an RFP process with the intention to find a single partner who could align all marketing communications with consumers buying multiple goods and services. Consequently, Rogers discontinued a number of other agency relationships.

Clover Leaf Seafoods undertook an RFP and evaluated five agencies before selecting Giants & Gentlemen (G&G) as their AOR. The agency is tasked with developing a new brand strategy, positioning, and building of the high-quality canned fish product category. Executives preferred G&G's strategic and creative abilities and expressed praise regarding the working relationship. In another direction, G&G successfully defended its AOR status with Mac's Convenience. After working together for a few years, the company set up an RFP and G&G kept the account and received expanded responsibilities to convert the brand to Circle K.

The Royal Ontario Museum (ROM) conducted an RFP to select an agency to handle its master-brand mandate to transform the brand emotionally from its cerebral image and to increase its awareness internationally. A ROM executive envisioned more visits from international tourists who would return home with positive word of mouth. It selected Broken Heart Love Affair and gave the creative agency a one-year assignment. ROM's existing AOR remained in place to handle marketing of individual exhibitions.

QUESTION

1. What ideas from this chapter are inferred from these scenarios?

LO4 Specialized Services

Companies typically assign the development and execution of all promotional program decisions to a full-service advertising agency. Alternatively, or along with an AOR, a company works with a number of specialized agencies such as creative bou-

tiques, media buying services, sales promotion agencies, public relations firms, direct-response agencies, and digital agencies to execute IMC programs. An example of this situation is Labatt who works with a few ad agencies for its 60 beer brands and a specialized agency for other IMC activities like media buying, PR, trade, and experiential.³⁷ Thus, specialist agencies work with advertising agencies on big accounts and they also compete with full-service agencies to gain business. This section reviews the functions that specialized marketing communication organizations perform to understand IMC implementation completely.

CREATIVE BOUTIQUES

A **creative boutique** is an agency that provides creative services like developing new and exciting brand messages or conceiving the theme of a new advertising campaign. These specialized agencies employ creative personnel but offer limited or no services in other areas (e.g., media, research, or account planning), and are therefore fairly small organizations. Creative boutiques emerged in response to companies' desire to use only the creative services of an outside agency while managing the other functions internally. While creative boutiques work directly for clients, full-service agencies subcontract work to creative boutiques when they are busy or want to avoid adding full-time employees. Creative boutiques are sometimes formed by individuals from the creative departments of full-service agencies who leave the firm and take the agencies' clients who want to retain their creative talents.

The uniqueness of creative boutiques means they are often independent (not part of a holding company) and work with their clients in interesting ways. For example, No Fixed Address manages its client relationships simply, by minimizing client meetings and providing them with smart, original strategy; great consumer insights; custom solutions; great ads; and fair compensation. Questrade represented the quality of the agency's work with a campaign that took on established banks in an effort to get consumers to switch to online investing.³⁸ An unusually named indie, send+receive, signifies the communication process of advertising. The agency's staff of eight works on a project basis or bills on output and works with any type of IMC to deliver what the client needs. Another key strength is the agency's skill at working with data to help clients understand their market-communication problems.³⁹

MEDIA BUYING SERVICES

Media buying services are independent companies that specialize in this specific and complex task. Media buying services specialize in this particular niche because of the significant number of media options that require substantial analysis and specific purchasing procedures of advertising time and space. Agencies and clients usually develop their own media strategies and hire the media buying service to execute them, but the services help advertisers to plan their media strategies. **Exhibit 2-5** identifies the brand promise of Initiative, one of the largest media specialist companies that is part of the Interpublic Group. Because media buying services purchase large amounts of time and space, they receive large discounts and save money on media purchases for both large and small agencies. Increasingly, this specialized service interacts at the senior level with the ad agency and the client to ensure optimal expenditures to achieve a brand's objectives.⁴⁰

As the Initiative example indicates, media agencies innovate in many ways, and the Canadian division of the international company Universal McCann (UM) is a good example. UM expanded its capabilities in marketing consulting, investment optimization, analytics, modelling, and data management. UM also customized its communications with a weekly update for each client that included relevant information about the client's industry.⁴¹ One prominent Canadian media agency is Touché, which started as a small media boutique over two decades ago in Montreal and, after a series of affiliations (Touché PHD, Touché OMD), now resides as a key player within the Omnicom Group. During the past decade, the agency received many domestic awards, including *Strategy's* Media Agency of the Year for 2020, and continued this trend with international recognition by winning the M&M Global Awards as Media Agency of the Year for 2020.⁴²

EXHIBIT 2-5 Initiative is a leading media buying company.



Source: Initiative

SALES PROMOTION AGENCIES

A **sales promotion agency** specializes in developing and administering sales promotion programs (e.g., contests/sweepstakes, refunds/rebates, premiums, sampling). Some large ad agencies created their own sales promotion department or acquired a

sales promotion firm. However, most sales promotion agencies are independent companies that specialize in providing the services needed to plan, develop, and execute sales promotion programs. Sales promotion agencies work with the client's advertising, digital, or direct-response agencies to coordinate the sales promotion program as there are generally many creative and executional details. Services provided by large sales promotion agencies include promotional planning, creative, research, tie-in coordination, fulfillment, premium design and manufacturing, catalogue production, and contest/sweepstakes management. Sales promotion agencies also develop direct/database marketing to expand their IMC capabilities. Sales promotion agencies are generally compensated on a fee basis.

PUBLIC RELATIONS FIRMS

A **public relations firm** develops and implements programs to manage the organization's publicity, image, and affairs with consumers and other relevant publics, including employees, suppliers, shareholders, government, labour groups, citizen action groups, and the general public. The PR firm analyzes the relationships between the client and these diffuse publics, determines how the client's policies and actions relate to and affect these publics, develops PR strategies and programs, implements these programs, and evaluates their effectiveness. The activities of a public relations firm include planning the PR strategy and program, generating publicity, conducting lobbying and public affairs efforts, becoming involved in community activities and events, preparing news releases, performing research, promoting and managing special events, and managing crises. Most large companies work with both an advertising agency and a PR firm given the scope and distinctiveness of the activities required for public relations effectiveness. Consequently with the agencies working together, advertising and promotion campaigns integrate PR activities as part of message delivery to ensure credibility and minimize costs.

Pomp & Circumstance is one PR firm implementing creative approaches for their clients. For skin care brand Dermalogica, the agency sent promotional kits with sunscreen products to influencers to try while enjoying a socially distanced picnic and hosted a Zoom painting event to learn how to use its retinol clearing oil. For automotive brand Mercedes-Benz, the agency arranged a glamping event for influencers who drove in one of the brand's sweet rides. As these two examples indicate, Pomp & Circumstance see social media as the future of public relations.⁴³ Proof Strategies is another PR firm offering expected public relations services to clients but expanded beyond the traditional to additional services, including influencer, stakeholder relations, government relations, social media, and online community management as it serves big brands like Loblaw, Shopers Drug Mart, Google, Netflix, eBay, Dell, and Shopify.⁴⁴

DIRECT-RESPONSE AGENCIES

Direct-response agencies develop and administer direct marketing programs for companies communicating directly with consumers through direct-response media (e.g., mail, television, Internet, phone). These agencies provide services such as database management, mailing list management, analytics and research, media services, and creative and production capabilities. Direct-response agencies expanded their digital capabilities since direct marketing uses the Internet and other digital channels to reach target audiences.

A typical direct-response agency is divided into three departments: account management, creative, and media. Agencies can also have a department whose function is to develop and manage databases for their clients allowing them to identify and attract new customers or to maintain loyalty among existing customers. The account managers work with clients to plan direct-marketing programs consistent with the objective of the overall IMC plan. The creative department consists of copywriters, artists, and producers to develop the direct-response message. The media department places the message in the most appropriate direct-response media. Direct-response agencies evolved over time and offer specialized skills in both consumer and business markets. Top direct-marketing agencies are subsidiaries of large agency holding companies, and a number of independent direct-marketing agencies serve a variety of large and small local clients.

DIGITAL AGENCIES

Digital agencies specialize in designing and developing communication programs for clients' Internet communications, such as websites, display ads, video ads, search engine optimization (SEO), and social media campaigns. These agencies provide full service and expertise in technology, creativity, database management, digital media, and customer relationship management. Digital agencies range from smaller companies specializing in website design to full-service firms that design and implement a complete digital and interactive marketing program through strategic brand consulting, creative and message development, and technical knowledge. **Exhibit 2-6** shows a website image for Mirum, an international digital agency in the latter group that offers its full services online. A second specialized alternative for companies is to work with are major management consulting organizations offering digital and technical services that support an interactive campaign. Advertisers also look to a third specialized alternative and work with agencies that develop campaigns for social media specifically.

Both digital agencies and full-service agencies with digital capabilities are recognized with awards from industry players. *Strategy* recognized FCB with its Gold Digital AOY based on its work for clients. For McCain, the agency created a contest linked to watching pre-roll digital ads connected to the experience of cooking one's fries in the oven. For Michelob Ultra, the agency established a social media promotion where the beer drinkers calculated the same number of calories they burned in a workout to equivalent food calories and donated the corresponding dollar amount to food banks. FCB's view is that the digital execution was successful because of the creativity of the idea and the overall message.⁴⁵

As shown with ad agencies, firms bring digital capabilities in-house while using an ad agency. Recipe Unlimited (formerly Cara Operations) owns over a dozen restaurant brands and operates a full digital team of more than 10 staff. Yet it still retains an agency for national advertising for brands like Harvey's and Swiss Chalet. It expanded digital communication to use geo-targeting with apps like The Weather Network for its Bier Market and The Keg restaurants. Innovative creative ads ran in social media for Montana's and Milestones.⁴⁶ Similarly, as the subsidiary of a US parent, Golf Town focused its marketing team around digital marketing communication capabilities include web design, web integration, social media, and search.⁴⁷ Although GE Appliances works with a few different agencies, it created its own in-house digital team.⁴⁸

IMC Perspective 2-2 summarizes more examples of agencies in many of these domains who achieved notoriety from their strategic insight, creativity, and innovativeness.

EXHIBIT 2-6 Mirum provides digital and many other services to marketers.



We are a borderless agency of over 2500 digital experts, storytellers, technologists, makers and relentlessly curious minds. Across the globe, we make experiences that people want and businesses need. Our approach is to be entrepreneurial and to create agile teams that blend strategy, creativity, technology, media and analytics to drive innovation. We work to discover business and human motivations because we believe experiences build brands.

Source: Mirum Agency

IMC PERSPECTIVE 2-2

CANADIAN AGENCIES MAKE THE GRADE^c

Canada has numerous agencies from all disciplines producing top quality work. "The A List," compiled by *Strategy*, is a way to showcase their noteworthy success. The agencies selected achieved recognition by winning the world's most prestigious awards.

Target, located in St. John's, celebrated its fortieth anniversary in 2020 and positions itself as a full-service boutique of 40 advertising pros. Its most recent well-known and award-winning work is its tourism campaign inviting visitors to experience Newfoundland and Labrador. The agency thrives by creating advertising that does not appear like advertising with its unique approach to storytelling messages. Its founder views creativity with a brand as its strength and allows the firm to deliver strong creatives to all clients, including Maple Leaf, Unilever, Rogers, Bell, Labatt, and Molson.

Moving westward, C&B Advertising, based in Calgary, produces creative, digital, and media work for clients in Calgary and western Canada to grow their businesses. For example, the agency established a new brand positioning strategy—Together for Good—for the Calgary Co-op. Another instance of successful work is the messaging and promotion for the Calgary Stampede to record its second-highest attendance ever. The agency is noted for working with a company's in-house agency/advertising departments and prides itself as "the brand behind the brand," indicating its partnership orientation.



PeopleImages/Getty Images

The PR side shows two agencies with strong work. Paradigm notes that their clients value the agency's strategic insight and creativity, a couple of strengths not usually associated with public relations services. However, in the age of IMC, all touchpoints require creativity to be noticed and strategic direction to maximize effectiveness. And this is especially critical for Paradigm's clients that request services beyond the initial PR work. Echoing this trend is Pomp & Circumstance, who landed many new clients as it expanded beyond its established PR services. One driving factor for this agency is the link between paid

and earned media within the many digital avenues available. PR is noted for gaining earned exposure historically, and its association with paid online messaging now likely comes from one agency providing strategic direction.

Turning to media agencies, Initiative won a Cannes Lion and won in three categories at the Media Innovation Awards recently. A key part of its innovation is its development of media and content simultaneously while it works with other agencies. Noteworthy work along these lines include an eight-episode storytelling series for Destination Canada to influence Americans to visit our country. It also created a unique promotion for ice cream brand Baskin Robbins on TikTok when a new trend emerged on the social media platform where people ate their ice cream cone upside down!

A couple of media agencies are driven to building their capabilities with technology and research to serve their clients. UM received recognition as the only Canadian

media agency listed on an influential international rating. The agency invested in stronger analytical and modelling expertise to produce adaptive and flexible future media plans. In the past, Media Experts established itself as the first media agency offering search engine ads, programmatic online ad buying, data management, and audience analytics. This investment culminated in winning 29 awards in one year recently. An example is its fuel-efficient ads for the MINI car directed at those searching for cheap gas online.

QUESTION

1. Which agency is the most appealing for a student's first advertising job? Explain your reasoning.

LO5 IMC Planning: Agency Relationships

As noted in this chapter, marketers choose from a variety of organizations to assist them in planning, developing, and implementing an IMC plan. Companies decide whether to use specialized organizations for each marketing communication function or to consolidate them with one agency that offers all services. This final section discusses whether an advertiser would want to use the integrated services of one agency, assess the agency-client responsibilities for IMC, and summarizes agency-client relationship trends in the context of an IMC environment.

INTEGRATED IMC SERVICES

Historically, marketing communication services operated as separate profit centres with each motivated to push its own expertise and pursue its own goals. For example, creative specialists resisted becoming involved in sales promotion or direct marketing and preferred to concentrate on developing magazine ads or television commercials rather than designing coupons or direct-mail pieces. While agencies transitioned to full-service providers, proponents of the “one-stop shop” contend that these past problems are resolved and the individuals in the agencies and subsidiaries are working together to develop more integrated promotional plans.

Integrated services offer clients three benefits. First, clients maintain control of the promotional planning and achieve greater synergy among the communications program elements. Second, it is more convenient for the client to coordinate all of its marketing efforts—media advertising, direct mail, special events, sales promotions, and public relations—through one agency. Third, an agency with integrated marketing capabilities can create a single image for the client's brand and address everyone, from wholesalers to consumers, with one voice.

Some people feel that an advertising agency offering full services is neither sufficiently staffed to ensure complete integration, nor fully cognizant of multiple target audiences. Advertising agency personnel are trained specialists and are less inclined to consider other marketing variables in their decisions. Furthermore, they tend to consider only the end user or consumer rather than all the parties in the marketing process who are connected to the results of the communication plan. It is recommended that marketers ensure the agencies consider the needs of all (e.g., customer service staff, sales representatives, distributors, and retailers) in their communication plans.

AGENCY-CLIENT RESPONSIBILITY

Surveys of advertisers and agency executives indicated that both groups consider integrated marketing communication important to their organizations' success.⁴⁹ However, marketers and agency executives differ on who is responsible. Advertisers prefer to set strategy for and coordinate their campaigns, but agency executives tend to see this as their domain.⁵⁰ While agency executives believe their shops are capable of handling the elements an integrated campaign requires, marketers historically preferred to allocate creative services to their advertising agency and use specialized service agencies or in-house departments for other IMC decisions.⁵¹ To sum up, agencies view themselves as strategic and execution partners and are offering their clients

a full line of services (e.g., interactive and multimedia advertising, database management, direct marketing, public relations, and sales promotion). But, marketers want to set the strategy for their IMC campaigns and seek specialized expertise, more quality and creativity, and greater control and cost efficiency by using multiple providers.

AGENCY–CLIENT RELATIONSHIPS

Recent findings emerged from a survey of agencies and clients conducted by the Association of National Advertisers in the United States (current Canadian data was unavailable). The study investigated the strength of the relationship, the agency's performance as a business partner, agency compensation, process management, and other factors. From the perspective of both parties, the relationships are positive, a long-term relationship is viewed strongly, and they trust one another. **Figure 2-6** summarizes five areas in which there is noticeable disagreement between agency and client. In future, both agree on the importance of clients providing a better briefing process and on an agency's understanding of a client's business and situation.⁵²

Figure 2-6 Agency–client relationship disagreement

Characteristic	Agency Agreement	Client Agreement
Compensation fairness	40%	72%
Clear assignment brief	27%	58%
Client approval process	36%	54%
Value of procurement	10%	47%
Work well with other agencies	88%	65%

An advertising agency's ability to work with another agency is a function of the growth of other types of agencies; especially digital agencies who recruited creative individuals from advertising agencies to enhance their IMC service delivery. Increasingly, all types of agencies see creative decisions of the message, no matter how they are delivered, as a differentiating factor when a client makes an agency selection. While personnel from any type of agency may publicly say that working with other agencies is positive, specialized agencies are in competition with advertising agencies for clients; as a result some hire a creative director, a job usually seen in advertising agencies only. A recent study summarizes how advertising and PR agencies experienced significant blurring of responsibilities in the age of paid, owned, and earned media.⁵³

Finally, a Canadian survey of advertisers showed that 58% believed their agency relationship to be “excellent” or “very good,” and 72% thought their media agency rated as important to their creative agency.⁵⁴ On the other hand, a Canadian survey of agencies found that 31% of clients expected “more cost effective solutions” and 18% expected equally “more strategic insight” and “more integration across marketing disciplines.” In addition, agencies expected “clearer and better briefs” and “more realistic budgets.”⁵⁵

Learning Objectives Summary

LO1 Summarize the advertising agency industry.

The development, execution, and administration of an IMC plan involves the effort of individuals both within and external to the company. Firms decide whether they will work with an external advertising agency or use an in-house service. In-house agencies offer the advantages of cost savings, control, and increased coordination but are limited because of less creative experience of servicing many clients and flexibility, two key strengths of working with an external agency. The advertising industry offers numerous agency options for advertisers, including full-service international conglomerates, full-service Canadian-based independent agencies, and specialized agencies that focus on a particular set of advertising disciplines like creative, media, or public relations.

LO2 Identify the services a full-service advertising agency provides to its clients.

Firms using advertising agencies to develop and execute their programs receive a full range of services such as account/client services, planning/research services, creative services, digital creative services, production services, media services, and specialized services. All of these services are delivered with a group or departmental system, depending on the size and importance of the client and the management approach of the agency. Agencies offer all of these services for the client to select from to resolve their marketing communication issues.

LO3 Describe methods for compensating and evaluating advertising agencies.

Historically, clients compensated agencies through commission systems based on media sales, and fee- and cost-based systems. Increased emphasis on agency accountability led to incentive-based compensation systems that tie agency compensation to performance measures such as sales and market share. Other comprehensive measures include achievement of marketing communication objectives and how the agency operates and delivers services. Agencies are evaluated on both financial and qualitative measures that are formal in certain situations and less formal in others. Upon evaluation, a client may no longer require the service of the agency for performance-related issues. Some clients retain the services of an agency for a relatively long period of time and confer the status of “agency of record.”

LO4 Review the functions of specialized marketing communication organizations.

Marketers also use the services of other marketing communication specialists, including creative boutiques and media buying services, direct marketing agencies, sales promotion agencies, public relations firms, and interactive agencies. Marketers contracting work to a specialized agency expect a stronger IMC plan with experts from specific fields since these agencies can reach and influence the target audience more effectively and efficiently. In addition, marketers decide whether to work with a different specialist for each promotional function or to work with one agency that provides all IMC services.

LO5 Evaluate issues regarding agency–client relationships.

Studies have found that most marketers believe it is their responsibility, not the ad agency’s, to set strategy for and to coordinate IMC campaigns. The lack of a broad perspective and specialized skills in non-advertising areas is seen as the major barrier to agencies’ increased involvement in integrated marketing communications, and individual perspectives of clients and agencies will continue to adapt as the growth of IMC evolves.

Review Questions

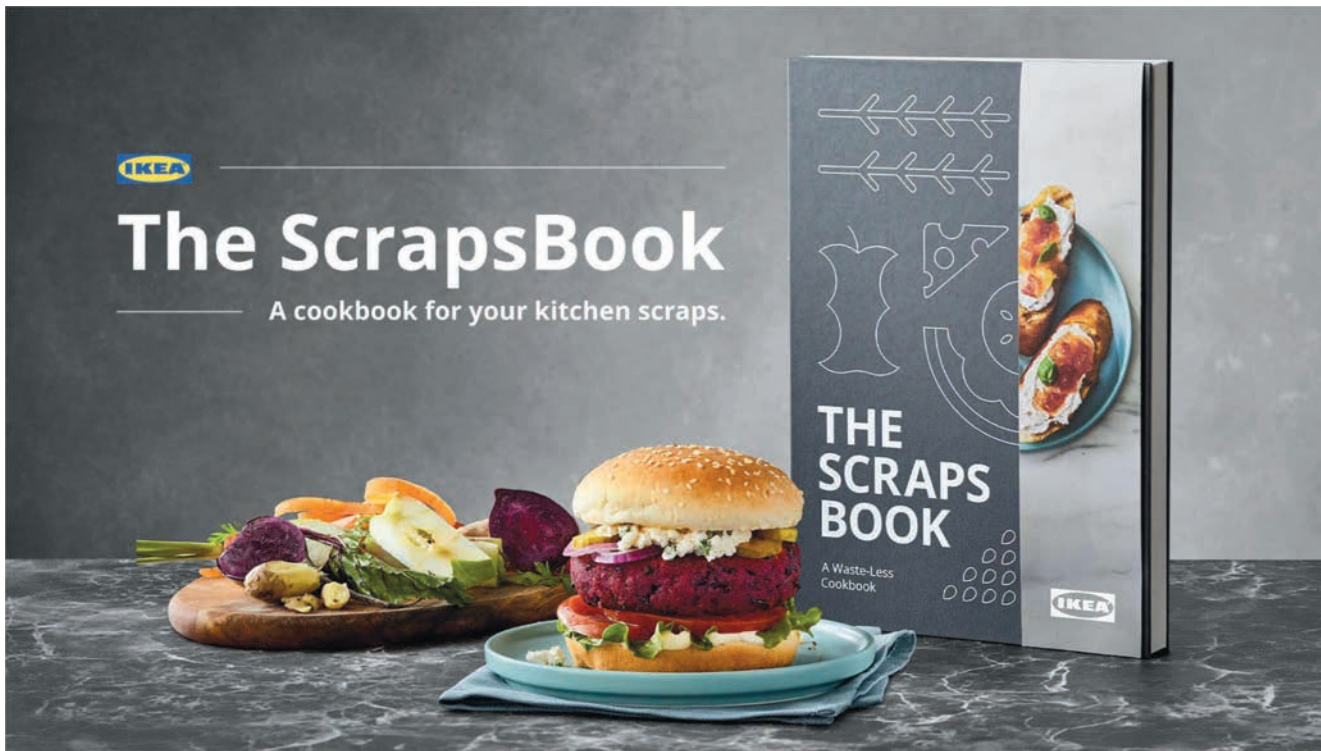
1. What types of agencies exist in the advertising agency industry?
2. How are the characteristics of a full-service agency contrasted with the characteristics of specialized marketing communication agencies?
3. Why is compensating with the performance by results approach optimal in comparison with other methods?
4. What are the similar and dissimilar functions of each of the specialized marketing communication agencies?
5. What are the issues of using one full-service agency versus multiple specialized agencies?

Applied Questions

1. **Figure 2-1** summarizes the main divisions within each international agency conglomeration. Visit the website of each to see what other agencies that are part of the overall organization.
2. Using **Figure 2-1** as a guide for different agency names based in Canada, examine the websites of different full-service marketing communication agencies. Using the websites as the main source of information, identify which types of services each agency offers.
3. Which type of agency compensation system characterizes an environment where a young advertising graduate would most like to work?
4. Using **Figure 2-1** as a guide for different agency names based in Canada, examine the websites of different specialized marketing communication agencies. Using the websites as the main source of information, identify which types of services each agency offers.
5. Given the evaluation of different agencies in the above questions, is the use of a full-service agency or the use of multiple specialized agencies the recommended approach for smartphone brands? for breakfast cereal brands? for energy drink brands?

CHAPTER THREE

Consumer Behaviour and Target Audience Decisions



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LEARNING OBJECTIVES

- LO1** Describe the consumer decision-making process and demonstrate how it relates to marketing communication.
- LO2** Investigate the target audience decision based on the use of segmentation variables.
- LO3** Identify the options for making a target audience decision for marketing communication.
- LO4** Express why a profile of the target audience is important for message, media, and IMC decisions.

Sustainability at IKEA^A

IKEA established itself in Canada in 1975 with marketing communication activities to ensure brand knowledge so that consumers would plan to visit the store when shopping for furniture and household items. One famous ad from 2002 ended with an abandoned lamp on the curb in the rain. A Swedish man approached the scene and said, “Many of you feel bad for this lamp. That is crazy. It has no feelings. And the new one is much better.” Directed by Spike Jonze, the ad won the Grand Prix at Cannes. A 2018 sequel saw a young girl take the lamp home and put it to good use with a low energy bulb. The same Swedish man entered an outside shot and said, “Many of you feel happy for this lamp. That’s not crazy. Reusing things is much better.” Execution of the ad followed the first ad and respected the original director’s creativity.

The ad signalled the retailer’s strategy to publicize its longstanding commitment to the environment, something the brand did not communicate over the years despite the founder’s belief in not wasting resources. In addition to the revised lamp ad, IKEA invented a sell-back program where consumers returned their used furniture to be refurbished and resold. As this initiative implies, consumers expect more from companies. For example, a Nielsen report found that 80% of global respondents believed that companies should be stronger environmental stewards, sometimes referred to as the *circular economy*. Other research found that the majority of major corporations publicly disclosed their environmental practices because of consumer demand for such information. Moreover, consumers discovered more environmentally friendly brands in many product categories, which put pressure on major brands to adapt. And these brands discovered great savings as well as enhanced reputation.

One of IKEA’s recent efforts to be viewed as a leader in the circular economy featured a cookbook entitled *The ScrapsBook*, based on using leftover food as ingredients rather than discarding them. Motivation for the concept included an estimated 2.2 millions tonnes of wasted food in Canada annually. An exciting video message entitled “Scrap Ballet” showed a couple dancing in their kitchen to classical music while they prepared dinner using leftover food from their refrigerator. Instagram Live cooking tutorials contributed greater exposure and added an experiential element to the marketing communication. Loyalty program members received the promotional offer prior to launch.

Another recent effort is the brand’s instructions to repurpose IKEA products with guidelines to upcycle its popular items by, for example, transforming cabinets into beehives. IKEA’s objective is to show its customers new ways to prolong the life of their products while contributing to conservation. The repurposing promotion coincided with a video message entitled “One Little Thing,” which showed simple and little acts each individual could do to contribute positively to the environment. A third recent effort is the video message entitled “Our Little World,” which showed multiple individually sized planets indicating how people could live sustainably. The overall message supports the idea of the cumulative power of all people doing little acts to help the planet. Media exposure included TV, online video, digital out-of-home, social, and other locations. IKEA’s agency, Rethink, conceived these campaigns with the latter slated for European release.

Question

1. Does it look like IKEA’s new approach for its advertising will encourage consumers to continue shopping at the store?

The opening vignette reveals that effective marketing communication programs require knowledge of consumer behaviour. The resulting insight helps marketers to see how to encourage consumers to buy a product, what to emphasize in communication to specific audiences, where to target the marketing communication, and which IMC program is used. It is beyond the scope of this text to examine consumer behaviour in depth. However, promotional planners need an understanding of consumer decision making, factors that influence it, and how this knowledge assists in developing promotional strategies and programs.

This chapter relates advertising to consumer behaviour. First, the chapter describes the consumer decision-making process to demonstrate how marketers use this information for marketing communication decisions. It then investigates how promotional planners use segmentation variables for making the target audience decision. Next, the chapter identifies the target audience options for marketing communication plans. The IMC planning section conveys the importance of identifying a detailed profile of the target audience.

LO1 Consumer Decision-Making Process

Consumer behaviour is defined as the activities people experience when searching for, selecting, purchasing, using, evaluating, and disposing of products to satisfy their needs and desires. The conceptual model in **Figure 3-1** is a framework for understanding the consumer decision-making process. It views a consumer as a problem solver who evaluates alternative brands and determines the degree to which the brands fulfill their needs. This section describes what occurs at each stage and demonstrates how advertising and promotion influence consumers at each stage or influence consumers as they proceed to the next stage. For further insight, the section concludes with two additional aspects: types of decision making and group decision making.

This model is an accepted representation of consumer decision making and is useful for managers to plan promotional decisions. Note that the process is not linear as the arrows indicate; a consumer back tracks to a previous stage as information is acquired. And there is implied continuity as post-purchase evaluation morphs into pre-purchase anticipation at some point, which varies by product category and by individual consumer. In fact, practitioners refer to this as a *journey* since a consumer expresses their thoughts and feelings at all stages across digital and non-digital avenues leading to stronger or weaker levels of brand loyalty.¹ Academic research moved toward this line of thinking as well.² Mobile technology allows consumers to experience all stages anywhere and at any time across multiple advertising formats and IMC activities, requiring promotional managers to adapt their plans.³ One study found that online communication in social media provoked stronger online search for information about a movie prior to its launch than advertising.⁴ And, as one expects, mobile shopping apps and non-shopping apps are useful tools for both brands and consumers.⁵

NEED RECOGNITION

EXHIBIT 3-1 Splat offers a variety of hair colours for different consumer wants.



Source: Developus

Need recognition is the first stage in the consumer decision-making process and occurs when a consumer observes a need and is motivated to begin the process to resolve their felt need. Marketers research consumer needs and how the needs translate into purchase criteria to gain knowledge and insight for promotional planning. This information ensures that marketers accurately portray the need when developing ad messages and places them in appropriate media and locations.

Need recognition arises by a difference between a consumer's *ideal state* and *actual state*. A discrepancy exists between what a consumer desires the situation to be like and what the situation is really like. A goal exists for a consumer, and this goal may be the attainment of a more positive situation from a neutral state. Or, the goal could be a shift from a negative situation, and a consumer wishes to be at a neutral state. A **want** is a

felt need that is shaped by a person's knowledge, culture, and personality. Advertised products may satisfy consumer wants rather than basic needs. The Splat ad in **Exhibit 3-1** shows how the brand offers a wide colour palette for consumers to stylishly express themselves.

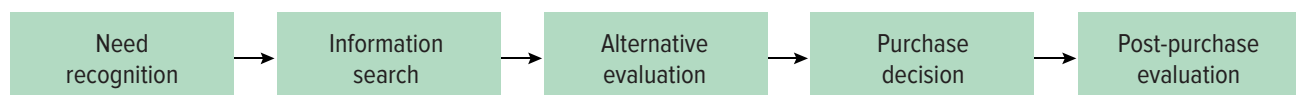
EXHIBIT 3-2 Visual ads remind consumers of their need.



Source: Simply Orange Juice Company

The sources of need recognition are internal or external, complex or simple, and ones not previously experienced arise from changes in a consumer's current situation. Advertising (i.e., external) helps a consumer crystallize their dissatisfaction (i.e., internal) with a currently used brand or realize that a product not currently consumed could enhance their life (i.e., complex). Simple needs are reaffirmed to a consumer with visual ads such as the one shown in **Exhibit 3-2**. New needs arise with changes in one's finances or employment status (i.e., situation). For example, graduates from college or university may need a wardrobe change when starting their professional career. Finally, social media facilitates need recognition with phrases like "wish lists," "likes," "check-ins," "bought by," and "pinned" depending on the source.⁶

FIGURE 3-1 A model of consumer decision making



The way a consumer sees a purchase and intends to resolve it influences the remaining stages of the decision-making process. For example, one consumer may see the need to purchase a new watch from a functional perspective and focus on reliable alternatives. Another consumer may view the purchase of a watch as a fashionable accessory and consider various design options. A third consumer may desire a watch to assist in their health or athletic achievements. To better understand the reasons underlying consumer purchases, marketers research and understand consumer **motives**—that is, those factors that compel a consumer to take a particular action.

One approach for understanding consumer motives is based on the theory of human motivation conceived by psychologist Abraham Maslow.⁷ This **hierarchy of needs** theory postulates five levels of human needs, arranged in a hierarchy based on their importance. As shown in the first two columns in **Figure 3-2**, the five needs are (1) *physiological*—the primary need to sustain life, such as food, shelter, clothing, and sex; (2) *safety*—the need for security and safety from physical harm; (3) *social*—the desire to have satisfying relationships with others and feel a sense of love, affection, belonging, and acceptance; (4) *esteem*—the need to feel a sense of accomplishment and gain recognition, status, and respect from others; and (5) *self-actualization*—the need for self-fulfillment and a desire to realize one's potential. Finally, Maslow highlighted two caveats: (1) the order of importance is not rigid and varies by individuals over time, and (2) an instance of behaviour is motivated by multiple needs.

Figure 3-2 Maslow's hierarchy of needs

Need	Exemplar	Advertising Application
Self-actualization	Fulfillment, Potential	Achieve your education goal
Esteem	Recognition, Status	Dress to impress
Social	Belonging, Love	Swipe to find your soulmate
Safety	Security, Protection	Most reliable car in its class
Physiological	Hunger, Thirst	That's refreshing!

The five needs guide the design of advertising messages to show a consumer how a brand's product can satisfy their need. The third column indicates generic promotional messages associated with each motive to illustrate how the theory is applied in advertising. The Jaguar ad in **Exhibit 3-3** appears to address self-actualization. GoodLife Fitness altered the motive conveyed in ads to self-esteem for consumers who sought a holistic approach to wellness. The testimonial messages revealed the experiences of actual consumers whose life changed significantly.⁸

Advertising messages are designed for multiple consumer segments with different needs.⁹ For example, a young single person may want to satisfy social or self-esteem needs in purchasing a car, while a family with children might focus on safety needs. The topic of motivation is revisited in **Chapter 6** by presenting consumer purchase motives. This is a more specific view of motives in the context of consumer decisions that is useful for managers planning marketing communications. The key conclusion is that an effective advertising message reflects a motive indicating how the brand purchase fulfills the target audience's need.

EXHIBIT 3-3 Jaguar uses an appeal to self-actualization.



Source: Jaguar Land Rover North America, LLC. All Rights Reserved

INFORMATION SEARCH

Information search is the second stage in the consumer decision-making process and occurs once a consumer concludes that a need is satisfied with a product purchase. In this stage, consumers experience ways to understand their needs precisely and gain the product knowledge required to purchase. The initial search effort, known as **internal search**, consists of reviewing information stored in memory to recall past experiences and/or knowledge regarding purchase alternatives.¹⁰ For routine, repetitive purchases, previously acquired information stored in memory (e.g., attribute performance, benefits experienced) is sufficient for comparing alternatives and making a choice. A consumer seeks additional information by **external search** if internal search is insufficient or if a consumer is motivated to gather more information. External sources of information are summarized in four relevant, as shown in **Figure 3-3**. Note that communication with people includes both face-to-face and computer-mediated channels such as social media. The implication of a consumers' internal and external search indicates the importance of advertisers communicating information to strengthen consumers' brand knowledge and to provide opportunities for a consumer to find brand information.

Figure 3-3 Examples of external information sources

Personal	Friend, relative, co-worker, acquaintance
Marketer	Advertising, salesperson, store display, Internet paid ads
Public	Print media articles, TV reports, Internet reviews
Experience	Handling, examining, testing the product

EXHIBIT 3-4 Apps for smartphones and tablets now number in the millions.



Warchi/iStock/Getty Images

Determining how many and which sources of external information to use involves the importance of the purchase decision, the effort required to acquire information, the amount of relevant past experience, the degree of perceived risk associated with the purchase, and the time available. For example, the selection of a movie to see at a cinema might entail talking to a friend (digitally or in person), checking movie information online or in a newspaper, or using a mobile app. The fun image in **Exhibit 3-4** is a cute way to visualize how significantly consumers rely on apps for brand information and brand experiences. Use of mobile devices while shopping in stores leads to more time in the store and greater purchases.¹¹

A consumer might rely on many information sources for a highly involved purchase. For example, when purchasing a vehicle, a consumer might review vehicle magazines/websites, have in-person/online conversations with family and friends, or visit a dealer for a test drive/salesperson demonstration. How this information gathering occurs in this stage is an important consideration for advertisers to plan their message, media, and schedule effectively. One study found that TV ads with emotional content led to greater online search behaviour for vehicles, and that such search led to greater sales.¹² Another study found a direct effect of online search behaviour following TV ads for three major American truck brands, indicating that shopping behaviour occurs at any time after exposure. Furthermore, a relevant message to a target audience is critical to encourage shopping since different messages increased or decreased search behaviour.¹³ **Exhibit 3-5** shows a Michelin tire ad with information and a call to action (i.e., visit the website), suggesting the ad is likely influential during this information search stage of consumer decision making.

EXHIBIT 3-5 Michelin stresses its advantages over competitors' tires.



Source: Michelin North America, Inc

Other research examined how the type of product (e.g., utilitarian versus hedonistic) affects consumer search. A study concluded that Internet and non-Internet media are important for online purchases, with varying degrees depending on the level of the consumer's Internet media experience and product type. Surprisingly, those with high levels of Internet media experience thought more highly of non-Internet media sources!¹⁴ A second study found that utilitarian purchasers preferred search engines, information on third-party review sites, comparing promotions on deal sites, and visiting competitor sites while hedonic purchasers relied on social media and a preferred retailer site.¹⁵

Extensive qualitative and quantitative research commissioned by the Advertising Research Foundation (ARF) regarding digital and social media use during the consumer decision-making process reported a number of findings.¹⁶ Consumers in the information search stage are in "active shopping mode" and deliberately seek information (e.g., visit Internet sites, speak with friends, search for product reviews online), although in other stages like pre- or post-purchase, consumers are in "passive shopping mode" where they receive unsolicited information such as advertising and promotion messages or social media postings. The usage level of non-digital media information sources remains strong despite the frequent use of digital information sources, and consumers do not necessarily differentiate among "paid," "owned," and "earned"—newer information sources. Finally, mobile access to digital information sources at all stages of the decision-making process continues to grow.

Indigo implemented a digital way for consumers to search for gift ideas with their "Thoughtfull" website that features a gifting assistant. Consumers enter information about the gift recipient, and the website offers up numerous suggestions!¹⁷ Instant

audio may become an information source in the future with voice assistants (like Alexa, Siri, Cortana, Bixby, and Google Assistant) and smart speakers. While just beginning, brands are investigating what message content is best (functional or experiential), how it will be delivered, and whether the brand will be mentioned first to influence consumer shopping. For example, L'Oréal's use of chatbots is providing information to understand the kinds of questions consumers may ask in future so that the right answer at the right time will be provided.¹⁸

ALTERNATIVE EVALUATION

Alternative evaluation is the third stage of the consumer decision-making process where a consumer compares the brands identified as being capable of satisfying their needs. The brands identified as purchase options are referred to as the **evoked set**. Generally a subset of all the brands known to a consumer is included to make this stage manageable. The size of the evoked set varies across consumer segments and depends on factors such as the importance of the purchase and the amount of time and energy a consumer wants to spend comparing alternatives. Effective marketing communication increases the likelihood that a brand will be included in a consumer's evoked set, as seen by the ad in **Exhibit 3-6**.

Usually, a consumer evaluates alternative brands of their evoked set in terms on specific and important criteria, such as objective and subjective product attributes. For example, objective attributes considered when buying a vehicle might include price, warranty, and fuel economy, while subjective attributes might include styling and image. Products generally have many attributes, and a brand's product may be viewed as a *bundle of attributes* with varying levels of importance. The advertising implication of this is that brands emphasize some attributes in their ad messages instead of other attributes, as demonstrated in the ad examples shown thus far in the text.

Consumers also tend to view product attributes in terms of their outcomes, also known as *benefits*. Again, products typically offer many benefits, and a brand's products is viewed as a *bundle of benefits* with varying levels of importance. Benefits are specific outcomes that consumers receive when purchasing and/or consuming a product. The advertising implication of this is that brands distinguish between product attributes and benefits in ad message claims because consumers assign importance to both when evaluating alternative brands. Moreover, advertisers communicate the link between an attribute and a benefit to enhance consumers' brand knowledge. Complicating this brand-directed communication, consumers rely on reviews, recommendations, discussion forum comments, blog posts, tweets, and other messages depending on the type of social media.¹⁹ Ad messages make three types of benefit claims for consumers to consider at all times, but especially during alternative evaluation stage.

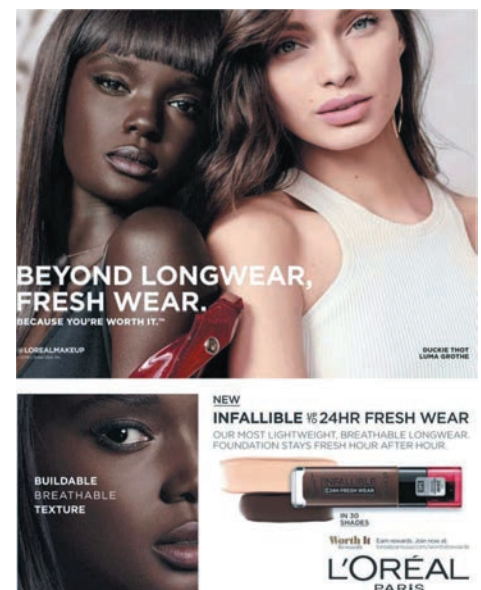
Functional benefits are direct outcomes of product usage that are tangible and objectively related to the purpose of the product. For example, a product placement message during *Canada's Amazing Race* stated that the Chevrolet Sonic subcompact car featured 10 air bags; many air bags in a small car exhibit functional utility of enhanced injury prevention for consumers who are in the market for a new small vehicle.

EXHIBIT 3-6 Giorgio Armani ads help contribute to high levels of awareness.



Giorgio Armani S.p.A.

EXHIBIT 3-7 This message implicitly claims a performance benefit.



L'Oréal International

EXHIBIT 3-8 Levi's communicates a unique experiential benefit.



Source: Levi Strauss & Co.

Performance benefits are less tangible and more subjective product usage outcomes based on how the product attributes abstractly affect a consumer. For example, a personal care product may claim in its ad messages that it makes one more attractive. The actual performance of the personal care product experienced by a consumer may or may not be in line with these claims, and this assessment will become internal information that is relied upon during future decisions. The message of the ad in **Exhibit 3-7** communicates that the cosmetic product delivers a fresh foundation that lasts longer.

Experiential benefits are related to how a product makes consumers feel while consuming it. The emotions are individually based, such as feelings of happiness or joy shown in car ads that show how consumers enjoy driving a particular brand on an open stretch of the highway. Alternatively, the emotions are socially based, such as feelings of pride, which are also shown in car ads that illustrate a driver passing by an admiring pedestrian. As these two views indicate, ad messages can claim experiential benefits to consumers with little emphasis on the functional or performance benefits. Fashion brands typically use visuals of models or consumers wearing their clothing or accessories. The stylish Levi's ad in **Exhibit 3-8** conveys an experience that will resonate with an audience.

PURCHASE DECISION

Purchase decision is the third stage of the consumer decision-making process, occurring once a consumer stops searching for and evaluating information regarding alternative brands. A purchase decision is not the same as an actual purchase. Once a consumer chooses a brand they intend to buy, they still have to implement the actual purchase decision. Additional concerns may need answering, such as when to buy, where to buy, and how much money to spend. This implies that the purchase decision requires time, particularly for highly involved goods like automobiles and electronics, and complex services such as insurance. Given these circumstances, there is ample opportunity for the actual brand purchase to be different from the initially planned brand purchase. Furthermore, if the additional purchase concerns are not resolved satisfactorily, a consumer may revert to the alternative evaluation stage.

EXHIBIT 3-9 Ads for market leaders such as Coca-Cola support brand loyalty.



Source: The Coca-Cola Company

For non-durable products such as consumer packaged goods, the time between the purchase decision and the actual purchase may be short, as it occurs while in the store or while planning at home. Before leaving home, a consumer may make a shopping list that includes specific brand names because a consumer has developed **brand loyalty**—a preference for a particular brand that results in its repeated purchase. In this situation, marketers try to maintain brand loyalty with reminder advertising to keep their brand names in front of consumers; prominent shelf positions and displays in stores; and periodic promotions to deter consumers from switching brands. Market leaders, whose products enjoy strong overall brand images, often use ads that promote the brand (**Exhibit 3-9**).

Internet advertising is used to influence purchase decisions considerably. A consumer may see a banner ad from an alternative brand based on their recent browsing just prior to purchase. Research has shown that a purchase decision is facilitated in social media

with consumers seeing price comparison information, experiencing group purchases, reacting to “buy now” messages, and making use of promotions (e.g., coupons).²⁰ A newer approach for buying is a livestream presentation where viewers interact with the brand hosts and immediately buy seamlessly.²¹

POST-PURCHASE EVALUATION

Post-purchase evaluation is the fifth stage of the consumer decision-making process where consumers explore a number of activities to assess the product's performance. A few example behaviours include consume or use the product to confirm their purchase decision, seek reassurance and opinions from others, become attentive to the brand's advertising, and search for information in social media. Alternatively, consumers may lower their attitudes or opinions of the unchosen alternative, or deny or distort information that does not support the choice they made. Eventually during the post-purchase evaluation, a consumer realizes they are satisfied or dissatisfied with the product. A leading expert in satisfaction research defined **satisfaction** as a judgment that consumers make with respect to the pleasurable level of consumption-related fulfillment.²² The notion of fulfillment implies that a consumer's goal has been achieved (i.e., needs met), and that the fulfillment is "judged with reference to a standard." Thus, consumers make a comparison between the consumption outcome and another referent.

Consumers can make different comparisons. One is to compare the level of product performance to the expectations of the product that consumers had prior to purchase. Satisfaction can occur when a consumer's expectations are either met or exceeded, whereas dissatisfaction results when performance is below expectations. Consumers can also compare the product performance to an absolute standard of quality to assess their satisfaction or dissatisfaction. An important aspect of satisfaction is **cognitive dissonance**, a feeling of psychological tension or post-purchase doubt that a consumer experiences after making a purchase choice. **Exhibit 3-10** illustrates advertising of social issues involving consumption with regrettable consequences.

Thus, post-purchase evaluation is important because it will likely influence the probability of a consumer purchasing the brand once again. Positive performance means the brand is retained in the evoked set and increases the likelihood it will be repurchased. Unfavourable product outcomes may lead a consumer to form negative attitudes toward the brand, lessening the likelihood that it will be repurchased or even eliminating it from a consumer's evoked set. Beyond repurchase, satisfied consumers may communicate positively about the brand, while dissatisfied consumers may spread negative word-of-mouth information that deters others from purchasing the product or service.

Marketers influence post-purchase evaluations positively by ensuring that their advertising and other forms of promotion received by consumers prior to and during their shopping do not create unreasonable expectations that their products cannot meet. If consumers see that the advertising claims are consistent with their expectations, they are more likely to have a positive post-purchase evaluation. In addition, markets try to influence a consumer's evaluation with direct communication during this stage. Companies send follow-up letters or emails and brochures to reassure buyers and reinforce the wisdom of their decision. Companies use toll-free numbers, websites, and social media to allow for consumer feedback. Positive, feel-good images of purchase, consumption, and use are disseminated. Marketers also offer liberal return and refund policies and extended warranties and guarantees to ensure customer satisfaction.

EXHIBIT 3-10 The outcome of consumer choice is clear in this ad for responsible alcohol consumption.



Source: Saskatchewan Ministry of Health

TYPES OF DECISION MAKING

Consumers do not always experience all five stage of the purchase decision-making process or proceed in the sequence presented. They may minimize or skip one or more stages if they have previous product experience, or if the decision is of low personal, social, or economic significance. To develop effective promotional plans, marketers review the types of problem-solving their target consumers use to make purchase decisions.²³ One suggested approach classifies consumers into three different types of problem solving.

Routine problem solving occurs when consumer purchase decisions are based on habit or brand loyalty. The decision for low-priced, frequently purchased products consists of recognizing the need, performing a quick internal search, and making the purchase. A consumer spends little time or effort on external search or alternative evaluation due to strong product category and brand knowledge. Marketers use the promotional mix to maintain high levels of brand awareness and positive brand attitude, to reinforce the routine for their loyal customers, or to disrupt the routine of non-customers to switch brands.

Limited problem solving or **extended problem solving** occurs when consumers have no product category experience or minimal brand knowledge, or their purchase decision criteria are not determined. In these more complicated situations, advertising

provides consumers with detailed information about a brand and how it can satisfy their purchase motives and goals. It also assists consumers to learn what attributes or benefits can be evaluated when making a purchase decision and how the alternative brands perform on these dimensions.

EXHIBIT 3-11 The Golf Sportwagon ad shows how all family members' needs may be fulfilled with its purchase.



©Volkswagen Canada

EXHIBIT 3-12 Roots targets the purchaser in this ad for its handbags.



©Roots

GROUP DECISION MAKING

Sometimes consumers are involved in a group situation during their purchases. A group is defined as “two or more individuals who share a set of norms, values, or beliefs and have certain implicitly or explicitly defined relationships to one another such that their behavior is interdependent.”²⁴ One instance of group decision making is when family members act as an individual buying unit. As shown in **Figure 3-4**, family members can assume various roles in the decision making for a durable good like a new vehicle.²⁵ Group interactions can occur at every stage of their decision making since members take on different roles throughout.

The planning implications for advertisers focus on how the target audience may vary depending on how the group buying occurs. Messages and media that attempt to persuade one who takes the initiator role could be much different than messages and media for one who assumes the decision-making role. The ad in **Exhibit 3-11** shows how a parent may see the Golf Sportwagon as meeting the needs of all family members during the purchase of a new vehicle.

The group dynamics influencing a consumer's decision making manifests uniquely if there are different groups influencing a consumer at each stage of the decision-making process. An expanded view suggests that consumers rely on others and that the social influence may be different friends, family members, or acquaintances at each stage.²⁶ During the information search stage, a consumer relies on personal sources of information, although in reality this potentially occurs at all stages. Sticking with a hypothetical car purchase, it could proceed along the following lines: need recognition is prompted by one's partner, information search occurs with one's friend, and the evaluation of alternatives is influenced by one's parent. The advertising implications for this expanded view are significant, and brands may see opportunities for varied messages, media, and IMC to persuade those potential influencers.

The decision-making roles for gift giving provide a unique situation where the purchaser may not consume the product. In addition, the purchaser may rely on friends and family members, and seek their opinion to assist in getting the right gift for the occasion. The social approval motives with gift giving could suggest other applications of the roles as well. The ad in **Exhibit 3-12** appeals to a gift giver looking to buy a present for a particular occasion (e.g., a birthday or anniversary).

Figure 3-4 Roles in the family decision-making process

Initiator	Person responsible for starting the purchase decision	Parent identifies the need for a new car
Information provider	Individual who gathers information to be used in making the decision	Teenage car buff finds magazines, dealer brochures, social media images, and user comments
Influencer	Person who exerts influence on the decision criteria	All family members may be involved; criteria may differ or be similar across members
Decider	Someone who actually makes the decision	Possibly one parent alone, or with another family member
Purchaser	Individual performing the physical act of making the purchase	The couple may sign the purchase agreement to have joint ownership
Consumer	Actual user of the product	All are consumers if it is a family car, or mother only for solo use

LO2 Target Audience Decision

The previous section reviewed the consumer decision-making process since marketers need to understand the behaviour they are attempting to influence through their promotional plans. Marketers try to understand consumers since an IMC plan, IMC program (e.g., advertising campaign), or ad is directed to a target audience. Selection of a single target audience or multiple target audiences is derived from the segmentation and target market decisions of the marketing plan and is a primary decision prior to other communication decisions. In this section, the marketing planning process is reviewed to understand the context of this important promotional decision. Next, approaches for segmentation are described as they are applied for target market selection and target audience selection, because segmentation is relevant for understanding the promotional planning process.

MARKETING PLANNING PROCESS

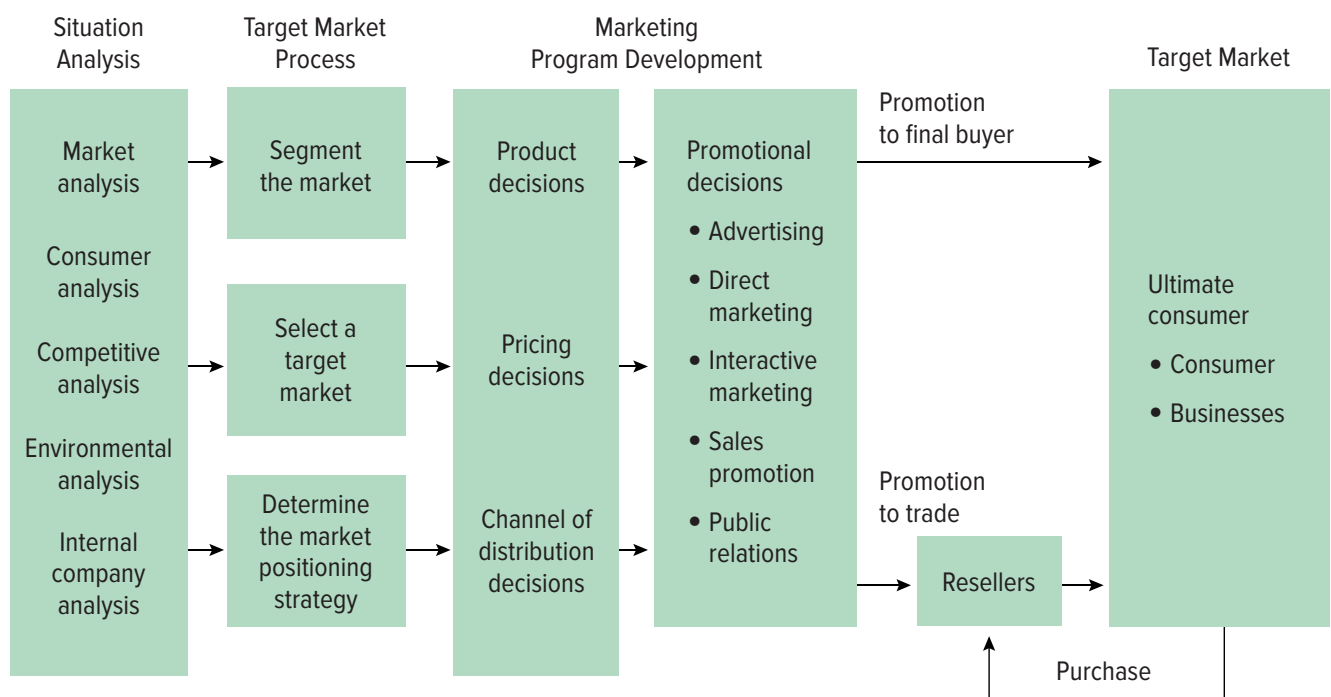
The process of developing marketing and promotion decisions is summarized in **Figure 3-5**. The target market is an important focus of marketing effort; it is based on an extensive situation analysis and it provides direction for all marketing decisions, including the promotion decisions identified in **Chapter 1**. The **target market** is the group of consumers toward which an overall marketing program is directed. This decision is part of three steps: segment the market, select a target market, and determine the market positioning strategy. The marketing planner identifies the specific needs of groups of people (i.e., segments), selects one or more of these segments as a target, configures a positioning strategy for the selected market segment, and develops a marketing program.

This approach involving segmentation is applicable in marketing for a number of reasons, including changes in the market (consumers are diverse in their needs, attitudes, and lifestyles); increased use of segmentation by competitors; and the fact that managers are trained in segmentation and realize the advantages associated with this strategy. Perhaps the best explanation comes back to the premise that marketing planners attempt to understand consumers as much as possible to design marketing programs that meet consumers' needs most effectively. Finally, the importance of identifying the initial segmentation approach and target market selection is based on research concluding that user profiles of brands seldom deviate and are relatively stable over time.²⁷

SEGMENTATION VARIABLES

Figure 3-6 shows five dimensions for segmentation: geographic, demographic, socioeconomic, psychographic, and behaviour. The subsequent segmentation variables in the second column guide both marketing and marketing communication decisions. Some are highly similar and overlap, such as age, life stage, and birth era, while others are quite distinct, like occupation and brand loyalty. The third column shows simplified examples of how the second variable may be measured by marketing

FIGURE 3-5 Marketing and promotions process model



research for both types of decision making. Some segmentation variables and their measurement are prevalent in primary and secondary research, while others are more elusive. Despite this potential limitation, a marketing planner might segment the market on the basis of benefits sought and then examine demographic and psychographic characteristics within each benefits sought segment to identify and evaluate numerous target market options.

Figure 3-6 Examples of segmentation variables

Segment Dimension	Segmentation Variables	Example Measurement
Geographic	Region	West; Central; East
	Census Metropolitan Area (CMA)	Under 100,000; 100,000–399,999; 400,000–999,999; 1,000,000 or more
	Density	Urban; suburban; small town; rural
Demographic	Gender	Male; female
	Age	Under 12 years; 13–17; 18–24; 25–34; 35–44; 45–54; 55–64; 65–74; 75 years plus
	Birth era	Baby boomer (1945–1960); Generation X (1961–1980); Generation Y (1981–2000); Generation Z (2001–2020)
	Life stage	Child; youth; young adult; adult; older adult; senior
	Household size	1; 2; 3–4; 5 or more
Socioeconomic	Income	Less than \$30,000; \$30,000–\$49,999; \$50,000–\$99,999; \$100,000 or more
	Education	Attend/graduated high school; attend/graduated college/university
	Occupation	Managerial; professional; technical; sales; service; administrative; agricultural; etc.
Psychographic	Lifestyle	Activities; interests; opinions
	Values	Open to change; concern for others; conservatism; self-enhancement
	Personality	Gregarious; compulsive; introverted; aggressive; ambitious; etc.
	Culture	Ethnicity; racial; religious; etc.
	Social class	Low middle class; upper middle class; etc.
Behaviour	Brand loyalty	Completely loyal; partially loyal; not loyal
	Category use	Non-user; past user; first-time user; or regular user
	Usage rate	Light, medium, or heavy usage of brand or category
	Situation	Usage, consumption, or purchase situation
	Benefits sought	Quality; service; price/value; convenience; prestige; etc.

Applying this to marketing planning for ski boots, benefits sought based on the level of skiing (low to high quality on responsiveness due to flexibility of the boot's plastic) is a relevant variable for segmentation. The marketing planner could consider age as an additional demographic variable (younger beginners to older beginners) and add varying social classes (lower class to upper class). All this information is combined to provide a complete profile of skier segments across three variables. Thus, an involved segmentation approach with three variables in this example provided precise understanding but resulted in fewer consumers in each segment and potential for lower sales if the brand only selected one segment to target. How many segmentation variables are optimal? Which segmentation variable is used first and which others are additionally used? In short, managers use their experience and data to apply the most relevant segmentation variables to their specific marketing decisions to handle these two questions.

A promotional planner, such as one working in an ad agency, faces similar questions when planning an advertising program or other IMC activity, and relies on the same segmentation variables. The decision process is similar, but the actual segmentation variables used can differ noticeably within specific IMC decisions. These segmentation variables are applicable for both marketing strategy planners and marketing communication planners as they try to make effective decisions. Note that the application of segmentation variables changes with technology. A new variable is visual segmentation based on people's photo from their online profile, indicating impression management motivated by belonging, self-promotion, and self-expression.²⁸ Brand sentiment exhibited in social media provides advertisers with detailed data, allowing more precise targeting along consumer belief systems and a little deeper investigation for psychographic segmentation.²⁹

GEOGRAPHIC

Geographic segmentation divides a market into different geographic units in which a marketing or promotional activity like advertising is viably delivered. These units include nations, regions, provinces, or cities. Consumers have different purchase criteria and buying behaviour depending on where they reside, and advertisers use unique and relevant advertising messages contingent on their objectives for influencing. These unique purchase behaviours can be a function of cultural differences, indicating that segmentation variables are related to one another in many ways. For example, research has identified different seasonal consumption levels for some product categories with French-speaking consumers in Quebec compared to English-speaking consumers in other provinces.

Geographic segmentation is also useful for media planning decisions, such as media selection and allocation of media budget. Brands can use different combinations of media in the various regions across Canada. Moreover, TV allows brands to offer greater exposure in one city versus another. Some media are inherently geographic in the implementation. Internet display ads are delivered geographically since the technology identifies the location of the user. Out-of-home messaging relies extensively on location placements. Finally, a company may have an objective to build sales in select cities where there is greater sales potential.

Brands face different penetration levels across markets and alter their sales promotions accordingly to stimulate trial purchases in locations with weaker consumer acceptance. Cultural differences across the country may necessitate different sponsorships or events planned for each region. The public image may vary by province, and a brand could choose to implement specific public relations activities in different areas. In sum, illustrating these applications of geographic segmentation across IMC decisions shows that geography is a significant approach for promotional planning.

DEMOGRAPHIC/SOCIOECONOMIC

Demographic segmentation divides a market on the basis of a demographic variable, such as gender, age, or household size. **Socioeconomic segmentation** divides a market on the basis of a sociological (e.g., education, occupation) and economic variable (e.g., income). Demographic and socioeconomic variables are part of standard marketing research information sources, such as those identified in the media chapters later in the text. Both sets of variables are used similarly for promotional planning and are therefore often treated as one group.

However, promotional planners sometimes rely on demographic/socioeconomic segmentation excessively since the data are readily available in primary and secondary research studies. However, it is important to note that other factors may be the underlying basis for homogeneity and/or consumer behaviour. For example, the Mercedes-Benz promotion putting its A-Class hatchback within a crowded nightclub suggested an age segmentation of young consumers, however the intention focused on the fact that the location had many non-car owners and the luxury brand hoped to entice entry-level buyers.³⁰ Thus, an astute promotional planner will identify additional approaches for segmenting and will recognize the limitations of demographics or that demographics may be a proxy for other segmentation variables.

PSYCHOGRAPHIC

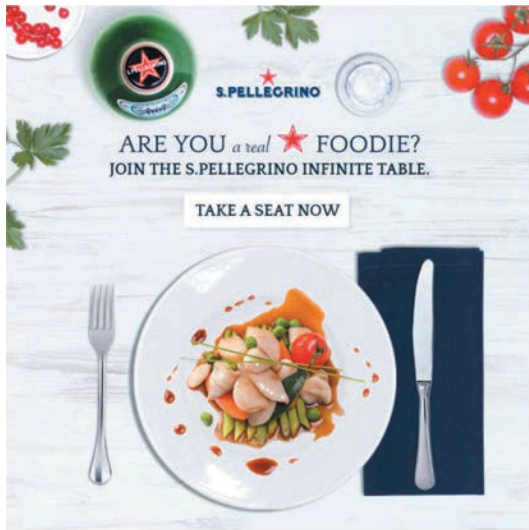
Psychographic segmentation divides the market on the basis of lifestyle, values, personality, culture, and social class. As the concept implies, these variables originated from psychology research or exhibit a strong psychological element. The degree to which they are measured in marketing research for segmentation purposes to guide marketing strategy decisions and influence advertising messages is varied. Each variable is quite distinct and yet very much related to or influenced by the other four.

Lifestyle

Lifestyle segments are usually based on an analysis of survey data measuring the activities, interests, and opinions (AIOs) of consumers. These lifestyles are then correlated with consumers' product, brand, and/or media usage. This form of segmentation exists with two proprietary research methods.

Psychographic segmentation occurred with the advent of VALS, now operated by Strategic Business Insights. Developed in the late 1970s and refined over the decades, VALS is a method for identifying segments based on responses to attitudinal questions. Additional variables (e.g., brand use, media use) are included in the data set to provide a complete profile of the segments. The VALS approach combines an estimate of the resources a consumer can draw on (education, income, health, energy level, self-confidence, and degree of consumerism) along with their motivation. This is used to identify eight different types of people to understand their consumption behaviour (e.g., thinkers, achievers, experiencers). Students can complete the survey at the company's website to see which segment they fit. This US invention has now been adapted to other cultures, such as Japan, China, the United Kingdom, and Latin America. The company suggests that VALS is useful for strategic planning, market positioning strategy, and advertising decisions.

EXHIBIT 3-13 San Pellegrino associates its brand with a foodie lifestyle.



S.PELLEGRINO® is a registered trademark of Sanpellegrino S.p.A., Milano, Italy

and diminished dining out sales, so it revamped its “Live in Italy” slogan with this new approach. To reinforce the lifestyle, chefs visited Italy to participate in San Pellegrino’s annual cooking competition. A film crew captured the stories of chefs and their cooking adventure for foodies to savour visually online.³¹

Values

EXHIBIT 3-14 The target audience’s personality is reflected in this Fluevog ad.

UNIQUE SOLES
FOR
UNIQUE SOULS
SINCE 1970



JOHN FLUEVOG ♥ OTTAWA
61 WILLIAM ST (BY BEAVERTAILS IN BYWARD MARKET) 613-244-1970
FLUEVOG.COM

©John Fluevog Shoes

Values are goals that guide an individual’s principles. Values are not situational, and they vary in their importance to an individual. One view for defining values sees four broad groupings of 10 values: open to change (hedonism, stimulation, self-direction), concern for others (universalism, benevolence), conservatism (tradition, conformity, security), and self-enhancement (power, achievement).³² Values compete with one another or can be in conflict, as seen by the discrepancy between concern for others and self-enhancement. Each of the 10 values reflects more specific elements. For example, benevolence suggests the following: honesty, loyalty, helpfulness, responsibility, and friendship. Usage of values as a segmentation variable is somewhat related to lifestyle since its measurement concerns survey responses to attitudinal questions; however, the approaches are distinct, as seen by an ad campaign for Toronto’s Sick-Kids Hospital. The video message showed numerous lifestyle groups united behind the fundraising campaign for the hospital.³³ The commonality of the groups is a shared value, likely benevolence.

Personality

Personality traits are the relatively enduring personality characteristics that lead people to respond in a reasonably consistent manner. Characteristics like social orientation (introvert versus extrovert), innovativeness (how much a person likes to try new things), materialism (emphasis placed on product ownership), and self-consciousness (projection of personal image to others) are examples of personality traits used to describe a group of consumers more precisely.³⁴ Notice how the ad for a pair of John Fluevog shoes in **Exhibit 3-14** appeals to potential consumers who view themselves as unique individuals.

Culture

Culture is the complexity of learned meanings, values, norms, and customs shared by members of a society. Culture guides members of a society in all aspects of their lives, including their consumption behaviour. Marketers need to be aware of cultural trends in society since new ones could be useful for segmentation. For example, one global agency employs 300 cultural spotters who identify 60 universal cultural trends occurring.³⁵ Within a given culture are generally found smaller groups or segments whose beliefs, values, norms, and patterns of behaviour set them apart from the larger cultural group. These **subcultures** may be based on age, geographic, religious, racial, and/or ethnic characteristics. A number of subcultures exist within Canada and they are important to marketers because of their size, growth, purchasing power, and distinct purchasing patterns. While culture exerts an influence on consumers, it is a challenge for marketers to respond to specific cultural characteristics in different markets. The subtleties of unique cultures require extensive research to understand and appreciate, so marketers consider the cultural context in which consumer purchase decisions are made and adapt their advertising and promotional programs accordingly.

Social Class

Social class refers to relatively homogeneous divisions in a society into which people sharing similar lifestyles, values, norms, interests, and behaviours are grouped. Social class is a broader segmentation variable since it encompasses some of the previous ones like lifestyle and values. In addition, similarity along these lines is associated with similarity in the socioeconomic variables (occupation, education, income). Virtually all societies exhibit a form of stratification whereby individuals are viewed as part of one social category or another. While a number of methods for determining social class exist, researchers generally agree upon three broad levels of social classes in North America: the upper (14%), middle (70%), and lower (16%) classes.³⁶ Social class provides a basis for segmentation for marketers and advertisers since the similar consumers within each social stratum are expected to have similar buying behaviour. Consumers in the different social classes differ in the degree to which they use products and services and in their leisure activities, shopping patterns, and media habits. Marketers respond to these differences through their product and service offerings, the media strategies they use to reach different social classes, and the types of advertising messages they develop.

BEHAVIOUR

Behaviour segmentation divides consumers into groups according to different actions related to their purchase, consumption, and use. These actions are measurable and generally observable from a research standpoint and include brand loyalty, category usage, usage rate, situation, and benefits sought.

Brand Loyalty

The degree of loyalty to the brand is a variable used considerably in marketing as programs are developed to retain current customers or attract consumers who purchase other brands. Loyalty status is combined with demographic and/or psychographic criteria to develop profiles of audiences for specific communication. This is a critical variable in designing promotional messages and is developed in the next section. Its importance is easily seen; current brand users are usually aware of the brand and have considerably stronger product knowledge, and they have some regular or irregular interaction with the brand. For example, loyal users of Nike shoes might be more likely to look at the Nike website to see the latest brands.

Category Use

In the case of usage, the marketer assumes that non-purchasers of a brand or product who have the same characteristics as purchasers hold greater potential for adoption than non-users with different characteristics. A profile (demographic or psychographic) of the user is developed, which serves as the basis for promotional strategies designed to attract new users. For example, teenagers share certain similarities in their consumption behaviours. Those who do not currently own, say, a smartphone are more likely to be potential buyers than people in other age groups. In this case, the new users may view this purchase decision as a new experience requiring comparison shopping with limited problem-solving activities and are therefore more involved while reading ads or looking at websites or talking to friends online.

Usage Rate

Another factor related to the previous two concerns how much of a brand or product category is consumed. Most product categories and most consumers of a brand can be classified along the lines of light, medium, or heavy usage. With these groups in mind, and demographic or psychographic variables, advertisers can direct messages more appropriately. For example, men tend to consume fewer cosmetic products than women (yes, men's skin care is a big business), so ads are designed to move the

light users to become medium users. Labatt's advertising is trying to increase women's beer purchase rate (which is correlated with usage rate) at 72% to the level of men at 89% based on the brewer's market research results.³⁷

Situation

Another way of viewing behaviour segmentation is to examine the situation in which consumers plan to use the product or brand since it directly affects their perceptions, preferences, and purchasing behaviours.³⁸ Two types of **situations** may be relevant: the specific usage situation and the purchase situation. *Usage situation* refers to the circumstance in which the product will be used. For example, purchases made for private consumption may be thought of differently from those that will be obvious to the public. Furthermore, purchases made for oneself versus for others as gifts offer another way to view consumer markets. The *purchase situation* more directly involves the environment operating at the time of the purchase. Time constraints, store environments, and other factors guide consumers' behaviour, which opens the door for inventive ways of segmenting the market.

Benefits Sought

EXHIBIT 3-15 This Toyota ad appeals to those seeking safety in a vehicle purchase.



Toyota Motor Sales, U.S.A., Inc.

As noted in this chapter, consumers are motivated to search for products that provide particular attributes or benefits to satisfy specific needs or wants. Thus, one approach for segmentation is to group consumers based on the attributes or benefits sought while shopping. The watch example started in the need recognition stage of the consumer decision-making process described in the previous section can be used to illustrate this segmentation approach. The functional buyer may focus on water resistance or durability to ensure they purchase a reliable watch. The fashionable purchaser may select among brands that offer design, colour, or material options that fulfill their stylish needs. The athletic consumer may seek brands with varying technological features and compare the different watches' performance to understand the benefits. A new fourth decider could be buying a watch as a gift with different benefits expected. The prototypical consumers indicate multiple benefits, and marketing and advertising plans find this benefits sought approach for segmentation quite applicable. The ad in **Exhibit 3-15** shows how a product attempts to appeal to those who value the benefit of safety.

PROMOTIONAL PLANNING PROCESS

Promotional decision makers refer to the segmentation approach of the marketing strategy when planning for IMC programs. For example, the market segmentation may be based on demographics, so the target market could be men aged 18–24 or women aged 25–44. The selection of the target market has direct implications for advertising and promotion. As shown in **Chapter 1**, specific behavioural and communication objectives are derived and the promotional mix strategies are developed to achieve these objectives. Thus, different objectives may be established, different budgets may be used, and the promotional mix strategies may vary, depending on the market selected. And it is incumbent upon the promotional planner to gather more information or perform additional research to develop a more complete understanding of consumers in the targeted market, as suggested in **Chapter 1**.

When making decisions, promotional planners focus on a target audience. A distinction between target market and target audience is necessary since an advertising plan or IMC plan is one part of the overall marketing strategy. This approach is consistent with others regarding the topic of IMC planning.³⁹ The **target audience** is a group of consumers that a marketing communication program (i.e., advertising) is directed toward. And depending on the circumstances, the target audience decision is applicable for an entire IMC plan, an IMC program like advertising, or a single advertising message.

Conceptually, the target market and target audience are interdependent, but their distinction allows promotional planners to make effective communication decisions with enhanced precision, leading to a few key questions for decision making. Is the target audience substantial enough to support individualized strategies? Can the target audience be reached with a communication program like advertising? Will a marketing communication program like sales promotion influence a target audience to switch brands? Is the target audience likely to participate in social media activities like creating user-generated content for the brand? As these questions illustrate, promotional planners are involved with determining the delivery of a message to a target audience that is a portion of the target market.

The difference between target audience and target market can also be seen when firms develop promotional programs that fit with an established target market that has a new cohort of consumers every few years. Since its launch in the mid-2000s, Activia's target market appeared to be women over 40 who sought a healthier brand of yogurt as they faced age-related health concerns. To attract new customers a few years later, Activia used the 14-Day Challenge to sway women who were now in the target market as they had gotten older (e.g., previously 35 and now 40). This new group of non-brand users became a target audience to persuade to try the brand to ensure future sales.

As expected, over time, a new cohort of women who did not eat Activia yogurt moved into the target market age range, and became a target audience for an updated campaign. In early 2017, Activia reconfigured the 14-Day Challenge message to eat its yogurt twice daily and to see this as a mindful time-out during a busy day. The English ads featured Dina Pugliese, a 44-year-old TV host, to confirm its target market; the French ads featured Marianne St-Gelais, a 28-year-old Olympic medallist, to stretch the target market age range.⁴⁰ Of course, the promotional planners could realize that an alternative target audience exists for Activia, and try to sway lapsed users who are older and in need of additional calcium as they age.

The difference between target audience and target market can also be seen when firms develop selective promotional programs beyond their target market. Promotional planners are concerned with activities like public relations, and the target audience may in fact be part of the general public who are not actual consumers. Alternatively, a promotional planner may be given direction or conclude from the situation analysis that the target audience is virtually identical to the target market. For example, a new brand entering an established product category may have no choice but to switch consumers from a competing brand. The next section provides more direction on how to frame the target audience decision and the use of segmentation variables that promotional planners consider.

IMC Perspective 3-1 identifies advertising trends in the emerging FinTech market and illustrates consumer behaviour and the use of some segmentation variables in the execution of the advertising.

IMC PERSPECTIVE 3-1

NEW PLAYERS IN THE FINTECH MARKET^B

Consumer shopping for financial services changed dramatically with the growth of online FinTech offerings. Many new brands emerged in many categories, such as banking, personal finance, lending, wealth management, insurance, real estate, and capital markets. Some brands are offshoots of major players while others are new start-ups trying to sway consumers from established brands. We highlight emerging brands and indicate how they are communicating to consumers as they go through their decision-making process.

Koho is a personal finance brand offering cash-back bank accounts and is partnered with other financial services companies to delivery FinTech. Owned by Portag 3, the same company that owns Wealthsimple, Koho appeared to have considerable resources to grow its business 5% per month and be a category leader. Koho's marketing team put the brand on the map with a 13-minute short film entitled *Dream Thieves* shown at Toronto's Fringe Festival. The dramatic story compared banking fees with the idea of harvesting consumers' dreams. Its signature phrase "wake up" portrayed the experience of young consumers seeking to restore balance in their financial life.

Wealthsimple's in-house agency developed its recent campaign with the goals of expanding its market beyond high-income investors, promoting adoption of its wider product line, and directing its message to an audience slightly older than its past 30–35-year-old consumer group. The campaign entitled *Half a Million Mikes* com-

municated the simplicity of using its investment, trading, and tax products.



© 2021 KOHO Financial Inc.

Montreal-based Moka changed from Mylo due to inconsistent brand name pronunciation from people with various language backgrounds. Moka's app rounds up a consumer's purchase to the nearest dollar and invests

the difference in an exchange-traded fund. It recently moved to a rewards program through cash transactions with many partners such as Apple Music, Uber Eats, Hello Fresh, and Staples to offset its monthly user fee. Moka created a video message shown on social media to support this product growth and its geographic expansion to France.

In Western Canada, ATB Financial established a Brightside division with a similar round-up and cash-back app that is connected to a user's existing bank account. The Brightside brand identification included the parent's name to differentiate it from other competitors like Koho and Moka. Communication of the launch included all three types of exposure—paid, owned, and earned—to deliver the brand positioning of supportive, cheeky, transparent, bold, and positive directed to consumers who focus on the here and now.

Flexiti and PayBright offer installment plans apps for FinTech consumers. In the past, consumers used these plans to pay for durables (e.g., furniture and appliances) and pay off the bill over 24 or 36 months. Their innovation offers installment plans for smaller purchases of a few hundred dollars over a few months. Rather than advertising directly to end users, the brands partner with retailers who handle the communication with consumers in store or online. And a key benefit for all involved is no paperwork, as the whole system is digitized.

QUESTION

1. Do you expect future advertising for FinTech brands will be significantly different than current advertising for established financial services brands?

LO3 Target Audience Options

The Rossiter and Percy (R&P) perspective of identifying and selecting the target audience for promotional communication is based on initially defining a target audience based on the current behaviour of consumers in terms of brand usage and product category usage.⁴¹ This is critical since it is customers' individual decisions to purchase a brand that add up to a firm's total sales. Furthermore, this behaviour is a manifestation of a consumer's attitude toward the brand. Attitude-based segmentation is a useful approach, as research indicates it produces more conducive shopping behaviour compared to demographic and values approaches for segmentation.⁴²

In setting the direction for the overall IMC plan or IMC program (i.e., advertising), the manager has a clear idea of whether the target audience is customers (brand-loyal customers or favourable brand switchers) or non-customers (new category users, other brand switchers, or other brand loyals). Targeting based on brand loyalty is a sound practical idea since research and consulting firms along with trade publications often report on the challenges companies face in retaining customers. These five options for making the target audience decision for all promotional decisions is now summarized.

BRAND-LOYAL CUSTOMERS

EXHIBIT 3-16 Tide directs ads to its loyal customers.



Source: Tide by Procter & Gamble

Promotional planners have the opportunity to direct marketing communication to **brand-loyal customers** who regularly buy their firm's products. Marketing strategies and communication strategies regularly focus on a firm's current customers to ensure that customers maintain their current purchasing and consumption behaviour. As noted in **Chapter 1**, it is generally a profitable marketing strategy to maintain a stable core of current customers who exhibit multiple repeat purchases over time. From a communication standpoint, it suggests that brands do not have to advertise as frequently or do not require frequent sales promotions. Part of the success with Tide is a stable group of loyal customers to whom the brand still advertises (**Exhibit 3-16**).

An economical way to communicate with current customers to enhance or maintain their loyalty is through owned media. Loblaw developed messages about food waste and other messages illustrating humorous "how to cook" methods and directed them to its PC Optimum members in Instagram and

through email.⁴³ Penningtons clothing retailer launched a body positive campaign, "Freedom to be me," for its loyal female customers. The initiative featured key influencers who reinforced the chain's self-expression positioning strategy. Research indicated that a "feeling free in their clothing" message resonated more strongly than product messages that reminded consumers of their current shape. The media strategy included TV, magazine, and social media (i.e., TikTok, Facebook, Instagram) to go along with #PennGals.⁴⁴ And the ever-popular Tim Hortons coffee shop ran its famous Roll Up to Win promotion, renamed from Roll Up the Rim to Win, a second time in 2021 during the fall to reward its loyal customers. The renewed contest implementation is linked with its loyalty program and app.⁴⁵

FAVOURABLE BRAND SWITCHERS

The second customer group highlighted by R&P is **favourable brand switchers**. These customers buy the promotional planner's brand but also buy other brands within a given relevant time period for the product category. For certain product categories, consumers habitually purchase from a few favourites or those brands within their evoked set. These types of purchases may occur for many reasons. Consumers face different purchase situations (e.g., own purchase versus gift). Sometimes certain moods influence brand choice. Whatever the motivation or external influencing factor, consumers adjust their purchases accordingly. While a promotional planner would undoubtedly strive to have all customers be completely loyal, favourable brand switchers are an important source of purchases and exhibit strong loyalty compared to non-customers. For these reasons, marketers communicate with these customers to ensure they continue with strong repeat purchasing behaviour. For example, the Gain ad in **Exhibit 3-17** emphasizes its pleasant aroma to switch consumers back to the brand for their next purchase.

EXHIBIT 3-17 Gain tries to sway consumers back to the brand by reminding them of the scent.



Source: Gain by Procter & Gamble

The importance of varying degrees of loyalty within a brand's customer base is a key research topic. In a study of the cola market, the authors provide a decision-making framework for measuring varying degrees of customer loyalty and link these customers to varying levels of return on investment. The conclusions suggest that customer groups with different loyalty levels are predicated upon their beliefs toward the brand on the more salient attributes.⁴⁶

The quick-service restaurant industry is one with considerable consumer switching behaviour since it is unlikely that an individual eats at the same restaurant for all of their out-of-home meals. In the face of other fresh-ingredient competitors, Mucho Burrito ran ads to introduce its "tandooritto," a burrito with both Indian and Mexican food flavours. The creative playfully showed the "B20 Global Burrito Summit" where the new product originated. Short online video messages complemented Internet display ads and influencer communication.⁴⁷

NEW CATEGORY USERS

Consumers that are not purchasing within the promotional planner's product category are within the non-customer group and are known as **new category users**. **Exhibit 3-18** shows an ad for the electric Smart car; its most likely target audience is those currently using a gasoline-powered vehicle. Often, people become new category users because of life changes. For example, after graduating from college or university, young adults enter numerous categories partly because they have the income but also because they are at a stage of their life when new or latent needs emerge. Advertisers court this target audience since these consumers are potentially ready to make a purchase. Later on in life, consumers have different needs and move into a product category not previously purchased. RBC launched a series of ads for disability, travel, and life insurance in which the potential customer asks if they need the product. The ads wrapped up with an RBC adviser suggesting they contact the company after humorously showing what could happen without the product.⁴⁸

New category users also appear when brands attempt to attract new customers who might not believe that the product category is relevant for fulfilling their needs. With the decline in eating cereal for breakfast, and with many people skipping breakfast entirely, Mini-Wheats offered a humorous ad featuring the hot-milk man who visited neighbourhoods and got people to try the cereal during cooler winter months. While consumers in this target audience may be lapsed users, the length of time of not eating cereal suggests that the purchase is new enough to see them as new category users.⁴⁹ Another example is a

EXHIBIT 3-18 Smart would like those using a gas-powered car to consider its electric one.



©Mercedes-Benz
Canada

campaign for Lotto 6/49 in Quebec that influenced young people who did not buy lottery tickets. The message demonstrated many low-probability events of serendipity that occur every day to give the non-users an idea that they might win the jackpot.⁵⁰

OTHER BRAND SWITCHERS

EXHIBIT 3-19 Quebec Milk Producers would like people to drink milk with meals.



©Quebec Milk Producers - AD - 2015

Another type of consumer that is in the non-customer group is **other brand switchers**. They are like the switchers in the customer group in that they purchase a few different brands within a category. However, from a promotional planner's perspective, they are fundamentally different because they are not purchasing their brand. This is a challenging target audience, as the brand needs to break into consumers' evoked set of the brands that these consumers are currently purchasing. It's a formidable task, but still the focus of a considerable amount of advertising and promotion. The ad in **Exhibit 3-19** tries to encourage people to drink milk instead of other beverages when eating their meals.

Under the leadership of a new senior marketing executive, Leon's Furniture hired on new creative and media agencies for the first time in 20 years to move its marketing communication away from the previous goofy ads and price promotions. While the retailer received considerable loyalty from those aged 45 and older, it needed to alter the attitudes of younger consumers to entice them into the store where they would see the selection and quality and speak with salespeople. In this case, the younger consumers represented other brand switchers since they typically shopped at other furniture retailers in the past, and Leon's new ads convinced them to visit and ultimately switch. Research indicated 16% growth in purchase intention after initial promotional efforts.⁵¹ As this example suggests, the key targeting variable is not demographic but rather behavioural.

OTHER BRAND LOYALS

EXHIBIT 3-20 Travel Alberta and Destination Canada jointly try to attract visitors to Canada.



©Destination Canada

R&P's final non-customer group for target audience selection is **other brand loyals**. As this label implies, these consumers purchase only one other brand. For example, a Pepsi ad tries to sway a Coke user to its brand. The tourism ad in **Exhibit 3-20** encourages travellers to consider Canada as a destination to visit. In this case, the ad is trying to switch people who travel internationally, not domestically, which indicates a varied application of this target audience option.

It is difficult to say how much in advertising and promotion expenditure is directed to these types of consumers across industries. Logically, it would be difficult to break strongly held consumer attitudes and behaviours, but it can be done, and Wealthsimple provides another example. It targets dissatisfied 25- to 45-year-old investors who have experienced distrust and confusion with their current financial service provider. Over the course of its first four years, the brand launched three major campaigns with different imagery but a consistent message for the target audience to consider switching brands.⁵² Koho, a new financial services brand, followed a similar approach as it tried to sway loyal consumers away from established institutions for everyday banking services.⁵³

IMC Perspective 3-2 highlights trends in the meat substitute market and shows the target audiences brands select to grow their business through advertising.

IMC PERSPECTIVE 3-2

A TARGET AUDIENCE DILEMMA^c

Plant-based food brands select a target audience for their marketing communication from many different options. Brands like Nuggs, Sol Cuisine, Gardien, Good Catch, Lagoon Seafood, Maple Leaf, and Very Good Butchers made in-roads following the growth of Beyond Meat in grocery stores and quick-service restaurants. After starting with ground beef, burgers, and meatballs, Beyond Meat launched plant-based chicken and sausages in 2021 in the face of this competition.

McCain obtained the US-based Nuggs distribution rights and marketed the plant-based chicken nuggets to Canadian retailers like Sobeys, Loblaw, and Whole Foods. The headline of a Nuggs in-store display, “Don’t Be a Chicken,” catches the attention of grocery shoppers. But who are these consumers and what does this message imply? Nuggs is trying to attract those who eat meat but are looking to eat less versus a target audience of vegans or vegetarians. Brands aiming for new category users like this require a message to overcome the attitudinal hesitation that non-users experience. So the beauty of this silly and common phrase is that it identifies the simulated product and is linked to the existing attitude of its intended audience. A key part of the campaign to fit the audience was stocking the product and running the displays in the frozen meat aisle, compared to some competitors who are marketing their product in the fresh meat section. Other parts of the campaign to influence this audience included coupons, Internet display ads, and influencers.

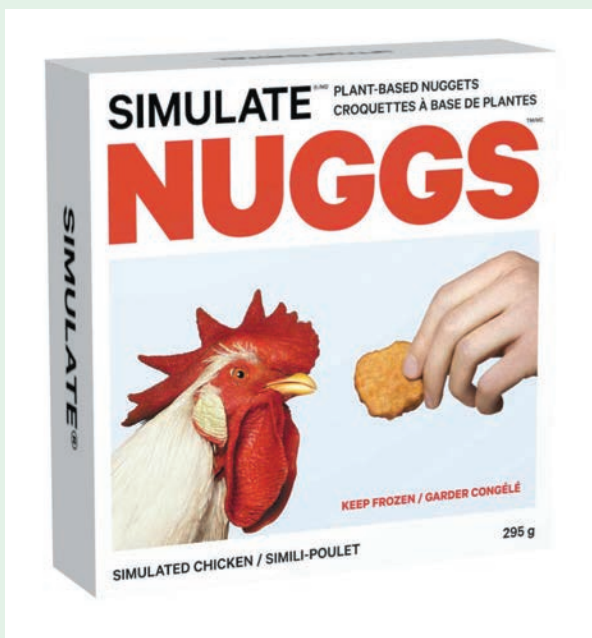
Sol Cuisine is targeting a similar audience—meat eaters planning to eat less meat with plant-based alternatives. However, the brand focuses its message on the visual appeal of how good the product looks to reinforce its premium taste and premium health strategy. Other aspects of its marketing communication included paid and owned social media, influencer, search, recipes, and customized retailer promotions. Very Good Butchers’ extensive products featured plant-based burgers, sausages, taco stuffers, ribs, steaks, and pepperoni. The existing product composition used wheat gluten, so a new product line was introduced to avoid this ingredient so that those with gluten sensitivity could now buy the brand. The brand used this opportunity to create a premium product for consumers willing to pay a higher price for plant-based meat that had a “meatier” appearance. Accordingly, the target is a different kind of new category user, one who could not formerly consume it all.

Interestingly, a company with an extensive meat product line, Maple Leaf Foods, has also entered the plant-based meat market. Logically, one option for this company is to target those who are loyal customers or favourable switchers of their meat products. Over time we shall see how this corporate player will attract customers to its revamped Lightlife and Field Roast brands.

Over in the seafood aisle, brands faced a difficult target audience selection task since consumers did not see the negative effects of eating seafood compared to eating meat products. One manager concluded that consumers who enjoyed seafood continued to eat seafood even with a plant-based option. Perhaps these brands need to switch plant-based beef consumers to try plant-based seafood?

QUESTION

1. Would a comparative ad message to sway loyal Beyond Meat customers be effective for one of these brands?



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LO4 IMC Planning: Target Audience Profile

According to R&P, after prioritizing the target audience in terms of customer groups, other segmentation variables like lifestyle or demographics are used to develop a complete target audience profile. A complete profile of the target audience beyond the initial behavioural variable is necessary for direction of the remaining promotional decisions. Creative decisions involving the main message to be communicated require appropriate content so that consumers will attend to and understand the message. Effective media decisions require the promotional planner to match the consumer characteristics of the specific media with a complete target audience profile. Finally, more information about the target audience allows greater precision when assessing and choosing IMC programs to deliver the message. Three planning implications are now suggested based on these points.

PROFILE FOR MESSAGES

Later chapters identify different aspects of constructing the main message a promotional planner develops for all IMC programs. The content of the message is planned to be consistent with the background or experiences of the intended audience so that it is completely understood. For example, if the ad uses language or references to a lifestyle that is unfamiliar to the target audience, it is less likely to influence in the direction intended. Thus, a complete profile of the target audience is useful when finalizing the body copy in a print ad or the scenes in a television commercial.

Companies target a younger demographic, and it could be written in the press or in marketing trade publications that a firm is targeting an 18- to 24-year-old demographic. While this may be true, often there is an inherent behavioural variable implied. Sometimes it is more like a new category user, since young adults start to consume new categories of products as they mature. Other times, it is more like favourable brand switchers in an attempt to make these consumers exhibit stronger loyalty. Thus, a communication message has to resonate with the target audience based on their current behaviour, whether they buy the brand or not, and on another variable like demographics.

One clever ad by Tide detergent illustrates this point from the other direction. The ad shows a child, sitting in a highchair, who has just finished eating a bowl of spaghetti. The picture clearly shows the child's face, which is of course very messy. The headline reads, "The day I switched to Tide," and there is no other text in the ad. It appears that this message is targeted toward other brand switchers or other brand loyalists who are at a particular stage of the family life cycle. The ad represents the significant decision they undertook to finally stop consuming a current brand and move on to a presumably better brand. Had the ad shown an alternative picture, the additional profile variable would have been considerably different. For instance, the image of a young woman wearing athletic clothing who observes a stain or that the colours of the clothing are fading too quickly suggests an active lifestyle. This illustrates that any marketing segmentation variable can be used to further profile the behavioural variable.

PROFILE FOR MEDIA

Later chapters also identify different media decisions. For example, the promotional planner could select television or radio to deliver its message, or the promotional planner might consider newspapers or magazines or a multitude of other media. Each medium offers avenues that are also evaluated. For instance, would the promotional planner place the television commercial on a TSN sports event during the day, or on a CTV drama in the evening? A detailed profile of the target audience allows the message to be more precisely delivered in a medium that has a higher proportion of the target audience.

Critics contend that the advent of different television channels leading to greater audience fragmentation caused less efficient TV advertising, since an advertiser is required to place a commercial on more than one station to reach a larger audience. In contrast, the detailed target audience profile for media helps a promotional planner move toward greater effectiveness. With the possibility of offering a more customized message to different audiences, promotional planners can have one type of commercial oriented toward younger non-customers on one channel and another message to older current customers on a different channel. Or, with the extensive number of new television channels in languages other than the two official languages, advertisers can provide more customized messages on the respective channels.

Moving toward more interactive media for the purposes of building and maintaining relationships, brands could use certain kinds of media and media vehicles to communicate with different segments based on unique relationship variables that are within the firm's database.⁵⁴ This would allow more accurate exposure and more customized messages depending upon where the customer is within the relationship.

PROFILE FOR IMC

The final chapters of this text identify decisions involved for sales promotion, public relations, direct marketing, and the Internet. Each of these represent additional avenues for reaching and influencing target audiences. Like media, there is also the possibility of more closely aligning the use of these programs with a promotional planner's target audience, provided sufficient profiling is done.

Learning Objectives Summary

LO1 Describe the consumer decision-making process and demonstrate how it relates to marketing communication.

Consumer behaviour is the process and activities that people experience when searching for, selecting, purchasing, using, evaluating, and disposing of products and services to satisfy their needs and desires. A five-stage model of the consumer decision-making process consists of need recognition, information search, alternative evaluation, purchase, and post-purchase evaluation. Marketing communication persuasion occurs in every stage as marketers adjust their messages and media along with IMC tools to influence appropriately so that consumers move from one stage to the other. Consumer decision making is classified along a continuum, from routine problem solving to extended problem solving, where consumers generally spend more time and effort. Some types of marketing communication are more relevant than others, depending on these types of decision making. Variation between an individual decision and a group decision also results in differing messages, media, or IMC decisions, depending on the planner's objectives.

LO2 Investigate the target audience decision based on the use of segmentation variables.

This chapter investigated how promotional planners make a target audience decision for any aspect of an IMC plan. Promotional planning is based on marketing planning, which includes the identification of a target market based on the use of segmentation variables. Accordingly, we reviewed how marketing planners and promotional planners use segment variables and explained how each made the target market and target audience decision, respectively.

LO3 Identify the options for making a target audience decision for marketing communication.

The chapter identified a model to profile a target audience by considering the current purchase behaviour of the target audience with respect to the promotional planner's brand as the primary segmentation variable. Promotional messages can be directed to current customers, such as brand-loyal customers or favourable brand switchers. Alternatively, promotional messages could be targeted to non-customers, like new category users, other brand switchers, or other brand loyals.

LO4 Express why a profile of the target audience is important for message, media, and IMC decisions.

Finally, the chapter concluded by expressing how other variables more accurately profile the audience in terms of lifestyle or psychographic variables after the initial direction is finalized. This descriptive profile becomes useful for all facets of the promotional plan (i.e., message, media, IMC tools).

Review Questions

1. What are the stages of the consumer decision-making process model? Why are they important for planning marketing communication?
2. When defining a target audience for marketing communication, why is it a good idea to use consumer behaviour with respect to your brand as the primary variable before using other variables such as demographics or lifestyle?
3. What are the five customer groups? Explain in terms of a beverage product like soft drinks or beer.
4. Why is a complete profile of a target audience important for marketing communication?

Applied Questions

1. Explain the difference between functional, performance, and experiential benefits. Why might the messages recommended in an IMC plan for smartphones focus on each one separately or together?
2. In what situations are the target audience and the target market the same? In what situations is the size of the target audience larger or smaller than the target market?
3. Examine the ads in this chapter and identify the target audience each ad is directed toward using the model of five customer groups. Suggest other relevant segmentation variables to further profile the target audience. Also identify a relevant segmentation variable to pinpoint the target market.
4. Which segmentation variables are more useful or appropriate for profiling a target market for an automobile like the Mini? Similarly, which are more useful or appropriate for profiling the target audience for an automobile like the Mini?

CHAPTER FOUR

Communication Response Models



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LEARNING OBJECTIVES

- LO1** Explain the elements of the communication process and identify the role of marketing communication.
- LO2** Contrast traditional and alternative response hierarchy models and identify their implications for advertising.
- LO3** Review the specifics of the receiver's processing of marketing communications.
- LO4** Illustrate a response model for managerial decision making.
- LO5** Construct ideas on how the knowledge of a response model is used for IMC planning.

Metaverse Movement^A

In July 2021, Facebook became Meta and the established social media networking app became one of eight brands identified under the “What we build” tab of Meta’s Internet site. A few weeks later, Wunderman Thompson Intel-

ligence (WTI) released an “Into the Metaverse” research report. Interesting questions for marketers arise as we morph into a new digital future where our physical and virtual lives fully converge. What is the metaverse? What

consumer behaviour occurs in the metaverse? How does advertising adapt in the metaverse? The metaverse looks like an extension of our lives supported by technology, with new innovations like the next generation of gaming, the crypto-economy, NFTs (non-fungible tokens), technology connectivity advances, and more technology in our everyday lives. Examples of advertising adapting in the metaverse include Ralph Lauren and American Eagle releasing digital clothing collections for avatars, and sports car brands like Maserati and Aston Martin launching virtual models in video games.

The WTI report identified some key trends. Respondents reacted positively to spending money on digital “assets” like a house, art, or fashion, which appeared to be a continuation of a consumer trend from similar purchases in video games. Respondents indicated interest in digital entertainment like concerts and movies and digital work activities like conferences. For example, the South by South West virtual conference allowed 100,000 people to digitally move among film screenings, theatrical performances, and speaker presentations. The report noted that consumers appeared interested in similar experiences augmented for shopping and learning about new products.

Video games like *Fortnite* encouraged consumers to immerse themselves in the metaverse. Galactus, a Marvel character, entered the game to destroy the *Fortnite* island, and 15.3 million gamers attempted to stop the villain as 3.4 million viewers watched on Twitch and YouTube. A previous *Fortnite* live event attracted 12.3

million gamers as Travis Scott hosted a concert within the game, with Travis’ avatar wearing Nike Air Jordan shoes. Clearly, Nike saw a pretty cool opportunity for brand exposure in a new media environment. An earlier integration with American DJ Marshmello attracted 10.7 million viewers and achieved US\$30 million in sales of virtual goods. Given the success of these events, it is not surprising to see that research revealed stronger consumer trial of using video or cloud gaming services and watching e-sports or virtual sporting events.

Big players looked to get ready for the metaverse. Enthusiast Gaming Holdings recently bought gaming platforms to build North America’s largest e-sports platform with 300 million active monthly gamers. The ultimate goal is to sell advertising space to reach this younger audience (who are 70% male) in which the majority spend an average of 15 hours a week gaming. Another big player is Twitch, where gamers converge to play and advertisers deliver messages to the audience watching the gamers. Adjoining visual features facilitate social interaction and direct selling of gamer merchandise. Brands use advertising, brand placement, and sponsorship to influence gamers. Honda used Twitch to promote its Honda Civic launch with relevant messages and also sponsored a gamer team, much like Honda sponsors the Toronto Blue Jays.

Question

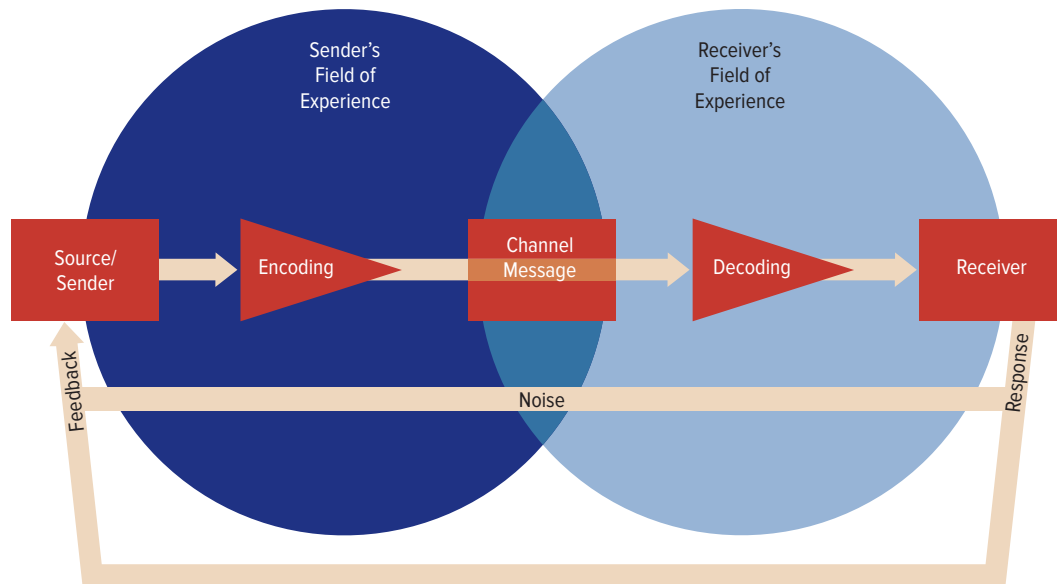
1. What other advertising opportunities might arise within the metaverse in the future?

An organization’s IMC strategy is implemented through the messages it sends to current or prospective customers as well as other relevant publics. Organizations communicate with advertisements, websites, press releases, sales promotions, and visual images. Those involved in the planning of an IMC program need to understand how consumers perceive and interpret their messages and how these reactions shape consumers’ responses to the company and/or its product or service.

This chapter takes a historical perspective to illustrate how academics and practitioners evolved their understanding of how persuasion works in the context of marketing communication. First, the chapter explains a model to illustrate the complexity of the communication process. It then examines the response process of consumers as explained by traditional hierarchy response models and alternative hierarchy response models. Next, the chapter reviews the receiver’s processing of marketing communications. Finally, the chapter concludes with a response model suitable for managerial decision making. The IMC planning section shows how the model is applied to specific promotional decisions.

LO1 Communication Process Model

Communication is defined as the passing of information, the exchange of ideas, or the process of establishing a common thought between a sender and a receiver.¹ This definition from communication theory is reflected in a communication process model (see **Figure 4-1**). The model identifies the sender and the receiver as the two major participants. Two central elements are the message (what the sender wants to say to the receiver) and the channel (how the sender delivers the message through non-personal or personal means to the receiver). Four other elements of the model are encoding, decoding, response, and feedback. The last element, noise, refers to extraneous factors that interfere with the process and inhibit effective communication.

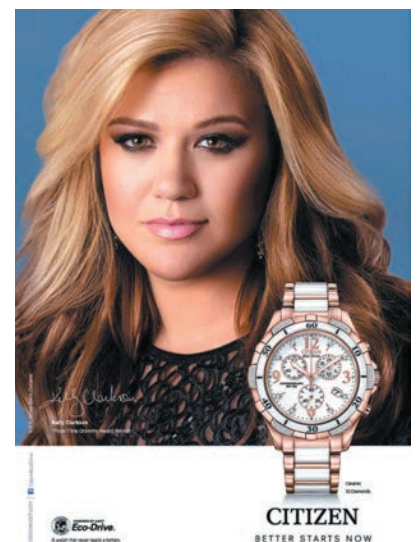
FIGURE 4-1 Communication process model

Applying this communication model to advertising implies that a brand's advertising is a complex process, with success depending on the receiver's beliefs about the brand, the content of the ad message, the medium delivering the ad message, the IMC activity used to persuade, and the target audience's interpretation of these four aspects working together. Within the ad message, words, pictures, sounds, and symbols have different meanings to different audiences so advertisers determine how these different meanings influence consumers' interpretation. Similarly, the medium and IMC activity delivering the message affect a receiver's understanding of the brand, indicating how challenging advertising is for brands to achieve effective communication. Each of the elements of **Figure 4-1** are now reviewed within an advertising context.

SOURCE

The sender, or **source**, of a communication is the person or organization that has information to share with another person or group of people. The source may be a non-personal entity (e.g., a brand or organization) or individual representing the non-personal entity (e.g., a salesperson, a paid spokesperson in ad, or a paid social media influencer). Because the receiver's beliefs about the source influence how the communication is received, marketers select a communicator that the receiver believes to be knowledgeable and trustworthy or with whom the receiver can identify or relate in some manner. For example, the Citizen Watch Company featured athletes and celebrities as spokespersons in the "Better Starts Now" global campaign for its Eco-Drive watches. **Exhibit 4-1** shows one of the ads from the campaign, featuring singer Kelly Clarkson.

EXHIBIT 4-1 Singer Kelly Clarkson is a source in this ad for Citizen Eco-Drive watches.



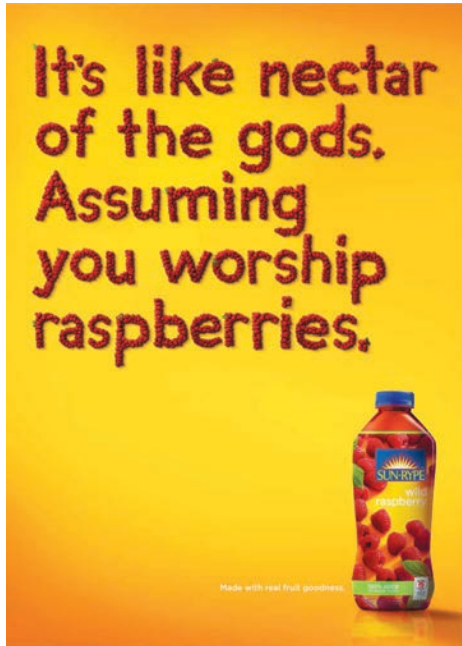
Source: Citizen Watch Company of America, Inc.

ENCODING

Communication begins when the source selects words, pictures, symbols, and the like to represent the message that will be delivered to the receiver(s). This process, known as **encoding**, involves putting thoughts, ideas, or information into a form that provides a meaningful message. The sender's ultimate goal is to encode the message in such a way that it will be understood by the receiver. This means using words and pictures that are familiar to the target audience, as demonstrated in the above ad. Companies also have highly recognizable brand symbols that are prominently shown in their ads—such as the McDonald's golden arches, the Nike swoosh, or the Coca-Cola trademark. When these symbols are seen in ads, consumers instantly understand the message that is associated with the brand.

MESSAGE

EXHIBIT 4-2 The visually appealing message by Sun-Rype invites consumers to try the raspberry flavour.



©Sun-Rype Products Ltd.

EXHIBIT 4-3 The message content of this visual Coach ad lets the receiver infer its meaning.



Coach/ MEGA / Newscom/CJMAR/Newscom

Encoding leads to the development of a **message** that contains the information or meaning the source intends to convey. The message may be verbal or non-verbal, oral or written, or symbolic. Messages are put into a transmittable form that is appropriate for the channel of communication. In advertising, this may range from simply writing words or copy that will be read as a radio message to producing an expensive television commercial.

Marketers make decisions regarding the message content, structure, and design for optimal communication. **Message content** refers to *what* the message information and/or meaning will communicate. **Message structure/message design** refers to *how* the message is constructed to deliver the information and/or intended meaning. These message decisions are covered in **Chapters 7 and 8**. The ad in **Exhibit 4-2** illustrates lighthearted *message content* with its religious metaphor contained in the copy. The *message design* of using berries to form the words, a product shot, and the colourful background provides a clear and simple message that Sun-Rype offers a particular flavour. The *message structure* of both the words and a visual provides balanced communication, and the meaning of the words provide an indirect conclusion.

No Frills faced competition from Walmart, Costco, and Food Basics in the discount grocery store category brand, so the Loblaw brand altered its message. Research indicated that its patrons' income levels varied considerably; the store's parking lot illustrated this with both pricey and beater cars. A typical consumer (i.e., a "hauler") reflected a common attitude of being a good shopper who gained satisfaction from finding deals. The *message design* featured a 90-second music video ad showing a hauler in a No Frills store doing handstands on grocery carts while selecting produce, running sideways along the frozen food freezer doors, performing aerial cartwheels, and spinning tubs of detergent on one finger of both hands just like an NBA all-star. It was no doubt a humorous exaggeration, but the *message content* was clear for viewers to decode: No Frills customers are winners! The exceptionally visual action provided an ideal *message structure* to differentiate No Frills from competitors.²

Message visuals communicate effectively and go beyond the words at times to create an impression or image. Notice how the Coach ad shown in **Exhibit 4-3** uses only a picture in its message and the receiver would infer the meaning of the message content. In short, why is NBA basketball player Jeremy Lin surrounded by cheering friends as he models his attractive Coach bag? The meanings of products, brands, and symbols to represent brands, and the story implied about the brand, influence how consumers interpret messages—suggesting that careful consideration of the message content and design is a critical task for promotional planners.

NON-PERSONAL CHANNEL

A method of communication that carries a message without interpersonal contact between sender and receiver is a **non-personal channel**. These channels are generally referred to as the **mass media** or mass communication, since the message is sent to many individuals at one time. For example, a TV commercial broadcast on a prime-time show may be seen by a few million people. Non-personal channels of communication consist of three major types: print (e.g., newspapers, magazines), broadcast (e.g., radio and television), and out-of-home (e.g., outdoor, transit, place-based). Magazines provide a good channel for health messages encouraging people to take action. In the ad in **Exhibit 4-4**, the visual demonstrates the problem of taking asthma medication for too long without any solution and indirectly invites consumers to call the phone number.

The Internet is a non-personal channel with both print and broadcast characteristics. Consumers see display or video ads on websites that publish content, such as TSN for sports information and Facebook or YouTube for social media postings. Thus, the Internet is non-personal as people consume information or entertainment content with no personal contact between them and the company (e.g., source) that disseminates the ad. And interestingly, a company's Internet site is an ad delivered to everyone and anyone, even though its information and images are often viewed as content.

Alternatively, the Internet is increasingly a form of personal communication, mediated through electronic devices, as consumers interact with a company's personnel and share information, pictures, and video with other people. Not all digital communication will be non-personal. Proximity- and time-based means of communication occur through data from consumers' smartphones and their use of social media. Finding patterns of routine behaviour, such as buying a daily coffee at one location and time, might be an impetus for targeting people to switch with an incentive or relevant message. Application of these kinds of algorithms produces substantially accurate results. Specialized shopping apps allow consumers to receive personalized information. However, while these methods directly communicate via technology, they remain non-personal media as there is no person-to-person communication.

EXHIBIT 4-4 Print media with clever visuals provide an opportunity to convey a message.



Hand-out/Association pulmonaire du Québec/Newscom

PERSONAL CHANNEL

Direct interpersonal (face-to-face) contact with target individuals or groups is a **personal channel** of communication. Salespeople serve as a personal channel of communication when they deliver a sales message to a buyer or potential customer. An advantage is that a customized message can be delivered to the audience, and immediate receiver feedback results in message adjustment from the source. With video and other capabilities of computers and the Internet, face-to-face contact with salespeople and customer service personnel is mediated through technology.

Communication with family, friends, associates, and co-workers represents an additional personal channel, commonly known as **word of mouth (WOM)**. This informal communication about brands and consumption experiences is a significant source of information for consumers such that companies continuously try to generate positive WOM for their brands. Marketers target specific groups of influential consumers such as trendsetters or loyal customers with persuasive messages or promotional incentives knowing that most consumers listen to what others say about a brand. Academic research about WOM documented its importance for decades. In general, WOM's strength is believable information from credible social sources, however the dynamics of how and why it influences within specific product categories and for particular brands is quite complex.³ For example, a sample of 70 product launches showed that only 10% produced 85% of the word-of-mouth communication. The majority of it occurred before the launch with traditional media expenditure for distinctive brands in ubiquitous product categories.⁴

Consumers communicate about brands within social media and use its networking features to send links to ads or other brand-related content to whomever they choose. While there is no face-to-face contact in these instances, the interactive capabilities suggest it closely resembles a personal channel. Marketers use this as an opportunity to disseminate a message through the resulting WOM of these newfound personal communication channels. This social media communication growth spawned research on social networks to understand influential participants within a social network. One finding suggests that one-fifth of a person's contacts actually influence a person's activity level on the site.⁵ A second result concludes that electronic WOM yields greater shopping time overall and more time considering a recommended product.⁶ Interestingly, however, the majority of WOM occurs in everyday life—not online—and the content of the communication is substantially different, with online communication focused on impression management and offline communication focused on personal feelings.⁷ Moreover, research also concluded that there is a minimal correlation with online and offline communication.⁸

Advertisers encouraging online word-of-mouth find positive financial results. One study found that post-campaign WOM contributes to profitability through customer lifetime value calculations.⁹ Advertising also contributes to WOM with shopping effects with measurable gains for Internet searches and website visits.¹⁰ Although online WOM is important for marketers, other research shows that 90% of brand conversations occur offline. Face-to-face interaction accounts for the vast majority (72%), phone conversations rank second (18%), and only 7% takes place through online channels such as email/instant messages, blogs, and chat rooms. And, nearly half the conversations included references to the brand's promotion (print and television ads, websites, point-of-sale displays, and promotions).¹¹

Additionally, word-of-mouth about a brand's advertising is significantly more likely to involve a recommendation to buy or try a brand when compared to other WOM-induced discussions about brands. One-quarter of all consumer conversations involve a brand's advertising, with TV ads being most prevalent, and 75% of communication occurs face to face.¹² While online and offline WOM appears critical, perhaps for different reasons, the authors of a review of electronic WOM studies conclude that understanding this digital version is paramount with expected future growth. They conclude that there are significant questions to consider: Why do people talk online? Why do people listen online? What happens to the sender? What is the influence on the receiver?¹³

RECEIVER

EXHIBIT 4-5 A Pantene ad influences those seeking a performance shampoo and conditioner product.



Procter & Gamble

The **receiver** is the person(s) with whom the sender shares thoughts or information. Generally, receivers are the consumers in the target market or audience who read, hear, and/or see the marketer's message. The target audience may consist of individuals, groups, niche markets, market segments, or a general public or mass audience, as discussed in the previous chapter. The ad in **Exhibit 4-5** targets those interested in learning about a high performance shampoo and conditioner products.

DECODING

Decoding transforms the sender's message back into thought. This process is heavily influenced by the receiver's frame of reference or **field of experience**, which refers to the experiences, attitudes, and values brought to the communication situation. In effective communication, the message decoding by the receiver matches the encoding of the sender. Simply put, this means the receiver understands and correctly interprets what the source is trying to communicate. **Exhibit 4-6** shows an ad where the decoding is likely very understandable if the receiver knows what to do with lime; otherwise, it may be a bit ambiguous.

As **Figure 4-1** showed, the source and the receiver each have a frame of reference (the circle around each) that they bring to the communication situation. Effective communication is more likely when there is *common ground* (i.e., overlap of circles) between the two parties. The more knowledge the sender has about the receivers, the better the sender can understand their needs, empathize with them, and communicate effectively.

While this notion of common ground between sender and receiver may sound basic, it causes great difficulty during advertising planning. Marketing and advertising people may have different fields of experience from the target audience with whom they communicate in terms of age, education, and life experiences. Advertisers invest in research to understand the frames of reference of the target audiences and pre-test messages to make sure consumers understand and decode them in the manner the advertiser intended prior to the launch.

EXHIBIT 4-6 This Corona ad allows for different interpretations in decoding.



Source: Crown Imports, LLC

VW Canada performed extensive analysis to identify a selective target audience. VW looked at credit data, Internet search metrics, digital display ad results, and dealership data to understand who was most likely to purchase in the next 60 days and who was predisposed to buy.¹⁴ In the end, its creative ads placed cars in unusual situations that tested the audience's ability to understand the message. One consumer discovered the Tiguan in a barn while shopping for a horse, and another consumer picked out a Jetta after placing an order at a butcher shop (**Exhibit 4-7**). For both ads, the consumer immediately said they would buy the car.

EXHIBIT 4-7 VW creatively communicated how easy it is to buy a VW.



©Volkswagen Canada

NOISE

Throughout the communication process, the message is subject to extraneous factors that can distort or interfere with its reception. This unplanned distortion or interference is known as **noise**. Errors or problems that occur during message encoding or distractions at the point of reception are examples of noise. Perhaps the foremost distraction is advertising clutter, whereby the receiver is confronted with competing messages. Noise may also occur because the fields of experience of the sender and receiver don't overlap. Lack of common ground may result in improper encoding of the message—using a sign, symbol, or word that is unfamiliar or has a different, unintended meaning for the receiver.

RESPONSE

The receiver's set of reactions after seeing, hearing, or reading the message is known as a **response**. Receivers' responses can be non-observable actions such as storing information in memory. Other responses are emotional, where consumers enjoy or dislike messages they receive. Immediate action such as visiting the brand's Facebook page after seeing an ad is another form of response. Additional responses on social media include retweeting a brand's Twitter message or forwarding a link on Instagram. Resulting communication responses such as stronger awareness of the brand or enhanced attitude to the brand may occur as well. The next section more thoroughly investigates consumers' responses to marketing communication.

FEEDBACK

Marketers are very interested in **feedback**, that part of the receiver's response that is communicated back to the sender. Feedback closes the loop in the communication flow and lets the sender monitor how the intended message is being decoded and received. Marketers use numerous methods to obtain feedback, including talking to customers, visiting stores, tracking participation levels with promotions, Internet site visits, and monitoring users comments within a brand's social media. Trends in brand-related consumer-generated content and digital forwarding of ads or stories about products are other examples of audience feedback. Follow-up research investigates the qualitative comments posted in social media after viewing consumer-generated ads by mapping the response to understand the message's meaning along cognitive and emotional dimensions.¹⁵ Company-initiated research-based feedback analyzes readership or viewership of ad messages, ad recall, message comprehension, and attitude change. With this information, the advertiser determines reasons for success or failure in the communication process and makes adjustments.

The No Frills "Haulers" campaign identified earlier launched with teaser messages in social media (Instagram @haulhard) with photos of people displaying T-shirts, hoodies, and tote bags. The images looked like fashion photos for a hot new streetwear collection! Ads posted around Toronto appeared like concert messages or album drop hints. Clearly, this part of the campaign gave receivers something to think about as they decoded the message. The music of the ad provided another fun feature, as No Frills released a full-length version on iTunes and Spotify.

SUMMARY OF THE MODEL

The model has stood the test of time for decades to describe how advertising communicates through traditional media. For the past 20 years, practitioners adapted their marketing communication decisions to digital channels and social media. The

practice is now moving toward complete integrated marketing communication as firms are no longer using the term *digital* to identify their strategies and employees.¹⁶ Thus, the fundamental tenets of a consistent brand strategy and understanding how that message is delivered through digital avenues are still critical within digital marketing communication.

Successful marketing communication is accomplished when the marketer selects an appropriate source, develops an effective message or appeal that is encoded properly, and then selects the channels or media that will best reach the target audience so that the message is effectively decoded and delivered. So whether a brand delivers a message on television or through social media, the general communication principles are important to consider for effective decisions. Since these decisions account for how the target audience will respond to the promotional message, the remainder of this chapter examines how consumers respond to marketing communication.

LO2 Receiver's Response

Developing effective communication programs involves understanding the response the receiver experiences when a promotional message is delivered through a channel, as shown in **Figure 4-1**. The receiver may be at any place in the decision-making process (**Figure 3-1**), and the promotional message is experienced from any communication, such as an advertising message, a sales promotion offer, a marketing event, or social media influence. This section reviews two response hierarchy models to understand the receiver's responses.

TRADITIONAL RESPONSE HIERARCHY MODELS

Figure 4-2 shows three response models, which are known as hierarchy models since there is a prescribed order the receiver experiences. Each model assumes that an ad message moves consumers through three stages: cognitive (e.g., think), affective (e.g., feel), and behavioural (e.g., do). While these response models may appear similar with identical stages, they were developed for different reasons, shown by the unique steps within each stage.

FIGURE 4-2 Models of the response process

Stages	AIDA model	Hierarchy of effects model	Information processing model
Cognitive stage	Attention	Awareness	Presentation Attention Comprehension
Affective stage	Interest Desire	Liking Preference Conviction	Yielding Retention
Behavioural stage	Action	Purchase	Behaviour

The **AIDA model** represents the steps a customer or potential customer experiences when a salesperson leads the prospect through the personal selling process.¹⁷ The receiver's attention is obtained and then their interest in the company's product is aroused. Strong levels of interest creates desire, a stronger emotional response since it leads to further action. When applying this model to advertising, promotional planners might design an ad with one or two of the steps as a goal. The **hierarchy of effects model** assumes a consumer passes through a series of steps in sequential order from initial awareness of a product to actual purchase.¹⁸ A premise is that advertising effects occur over a period of time. Marketing communication may not lead to immediate behavioural response or purchase; rather, a series of effects occurs, with each step fulfilled before the consumer proceeds to the next step in the hierarchy. The **information processing model** views the receiver as an information processor of persuasive communication.¹⁹ One key step is retention, which indicates the receiver's ability to remember all or a portion of the comprehended and accepted information from the ad message. This step is important for promotional campaigns designed to provide information that the receiver relies on later when shopping. The second key step is behaviour, which occurs at any part of the consumer decision-making process (as described in **Chapter 3**). For example, the brand information is retrieved from internal memory at the information search stage, and the consumer decides to seek more information at the brand's website.

The ad in **Exhibit 4-8** for Second Cup presents an opportunity to explore which model explains why this ad is an effective decision for the retailer's chilled beverages. Notice how the ad attempts to obtain two types of behaviour: try the new drink and download the rewards app, indicating that the behaviours of all three models are relevant. In addition, perhaps it might be more behaviours if one concludes that the ad's objective is get consumers to try each flavour. There is not much written about the product, so one might conclude that the information processing model is less helpful for understanding the affective stage response compared to the other two models. However, the stylish colours and the simplicity of the message could initiate a sensation response and attract attention, which makes the cognitive stage response of the information processing model a preferred view. This interpretation of the ad, with different models in mind, identifies the challenge promotional planners face when understanding how the receiver of an ad messages responds.

EXHIBIT 4-8 Second Cup encourages consumers to try its iced coffee.



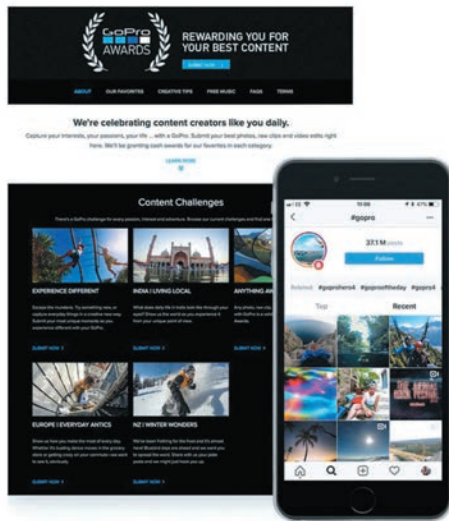
©The Second Cup Ltd.

Implications of Traditional Response Hierarchy Models

The first implication of the response hierarchy models is the usefulness for promotional planners to make specific marketing communication decisions for each step. In each of the models there is a clear marketing communication task required before the receiver proceeds to the next step. The hierarchy of effects is useful for campaign planning. Marketers implement IMC campaigns to develop awareness of the brand, establish product knowledge, and foster an emotional response to the brand prior to a final behavioural response. However, the information processing model is more useful for planning ad content to ensure the receiver processes the message when it is presented. For instance, the message is designed to attract attention (e.g., an “eye-catching” visual to start a video), and the message content is constructed so that the receiver is able to comprehend or understand the brand benefits claimed.

A second implication of the response hierarchy models is that the steps are intermediate measures of communication effectiveness that guide the objectives set for different target groups. Advertisers have unique marketing communication objectives to attain for each potential group of buyers who are at different steps in the hierarchy. For example, if research reveals that one target segment has low awareness of the advertiser's brand, then the communication task involves increasing the brand awareness level by increasing the number of ads. Or, if research reveals another target segment may be aware of the brand and its attributes but have a low level of brand preference, then the communication task is to reverse these negative feelings by altering the ad message.

EXHIBIT 4-9 GoPro encourages users of its camera to share content such as videos and picture.



Source: GoPro, Inc.

A third implication is that the application of a model depends on the product life cycle. Brands communicating within a mature product category, a growing market, or companies launching a new product with low adoption levels (e.g., a smart watch) face different communication tasks because of the unique characteristics of each market situation. For example, an established brand in a mature market with established awareness levels sets an awareness objective of maintaining the level, while a modestly established brand in an expanding market sets an awareness objective of increasing its level of awareness.

A fourth implication is how the final stage of the three models identifies unique behaviours a consumer takes—action, purchase, and behaviour—and each is relevant for IMC planning. Advertisers often include a “call to action” as part of an ad message in many ways. Online ads invite consumers to visit the company’s website for information. Advertisers encourage an actual purchase with an ad message, especially with direct marketing. Ad messages also ask consumers to participate in a marketing event. Cineplex’s app lets consumers to see schedules, read entertainment news, view movie trailers, obtain promotional offers, and buy tickets. **Exhibit 4-9** shows a marketing communication where GoPro communicates greater usage of its product by encouraging users to share content. In this case, the audience previously purchased the product, and GoPro anticipates a response different than a purchase.

In summary, while the cognitive → affective → behavioural sequence seems logical with the above implications, research in marketing, social psychology, and communications questioned the progression, leading to alternative response hierarchy models.

ALTERNATIVE RESPONSE HIERARCHY MODELS

EXHIBIT 4-10 Honda Insight Hybrid communicates its stylish benefit.

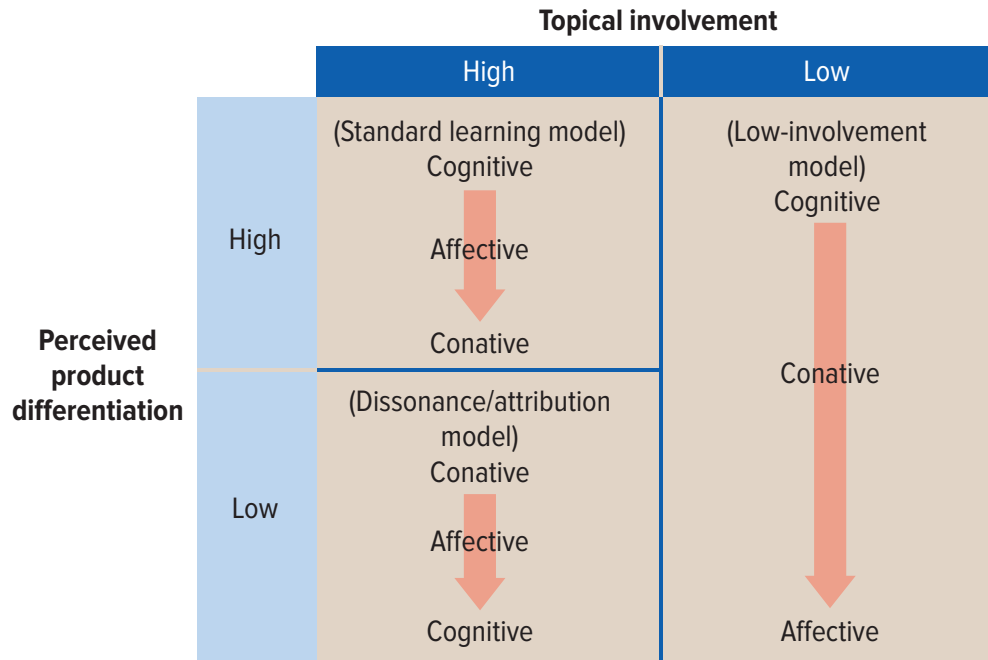


Source: American Honda Motor Co., Inc.

Figure 4-3 relates perceived product differentiation and product involvement to illustrate different receiver response processes. Perceived product differentiation is based on whether the receiver views competing *brands* (brand 1 versus brand 2) within a product category similarly, or views competing *product categories* (product category 1 versus product category 2) similarly. Topical involvement is based on personal relevance with respect to the receiver’s individual characteristics (e.g., needs), the marketing stimuli (e.g., message source, message content), situational factors (e.g., time), and potentially social dynamics (e.g., role in group decision).²⁰ The definition and measurement of advertising involvement followed a similar approach.²¹ **Figure 4-3** identifies the three alternative response hierarchies—standard learning model, dissonance/attribution model, and low-involvement model—which result depending on high or low levels of differentiation and high or low involvement with the ad topic/message.²² Promotional planners alter their marketing communication plans depending on whether their target audience receives messages according to one of the three models.

The **standard learning model** consists of a learn → feel → do sequence. The consumer goes through the same sequence depicted by the traditional response hierarchy models and is an active participant who gathers information. Information and knowledge acquired or *learned* about the brand is the basis for developing affect, or *feelings*, that guide what the consumer will do. High-involvement purchase decisions such as of consumer durable goods (e.g., electronics, cars) are product categories where a standard learning hierarchy response process likely occurs for most consumers. Ads for these products usually provide consumers with important information that is used to evaluate brands and help make a

purchase decision (**Exhibit 4-10**). However, for a loyal customer who simply renews the lease or purchases the same brand of car over a few purchase occasions, the decisions are potentially less involving.

FIGURE 4-3 Alternative response hierarchy models

The **dissonance/attribution model** indicates a do → feel → learn sequence where consumers first behave, then develop attitudes or feelings as a result of that behaviour. It occurs in situations where consumers choose among alternatives that are similar in quality but are complex and/or may have unknown attributes. The purchase is based on a non-media source (e.g., a friend recommendation) and then the consumer develops a positive brand attitude afterwards. The promotional message of supportive information influences the brand choice after the purchase, which provides a strong effect at the post-purchase evaluation stage of the consumer decision-making process (see **Figure 3-1**) to reinforce the consumer's confidence. Support for this notion is found in research which concluded that advertising can affect consumers' objective sensory interpretation of their experiences with a brand and what they remember about it.²³

The **low-involvement model** shows a learn → do → feel sequence. It characterizes low-involvement purchase decision situations where minimal differences among brand alternatives exist. The view is based on a theory that explained the effects of TV ads.²⁴ Why does TV advertising produce a strong effect on brand awareness, but little change in consumers' product attitudes? In a low-involvement situation, the uninterested consumer does not compare the message with existing beliefs or past experiences. Rather, ads with repeated exposure, simple and distinctive benefit claims, and non-product ad characteristics (e.g., brand name, ad theme, slogan/jingle, music, character, symbol) result in subtle knowledge building in which the brand is recalled or recognized when the consumer enters the purchase decision process. One supporting study found that under low-involvement conditions, repetition of simple product claims increased consumers' memory of and belief in those claims.²⁵ Heinz ads consistently and frequently communicate that it is the thickest and richest ketchup, often with quirky humour and images of its bottle or product as shown in **Exhibit 4-11**.

EXHIBIT 4-11 Advertising effects for Heinz are possibly consistent with the low-involvement model.

Kraft-Heinz, Inc.

Implications of Alternative Response Hierarchy Models

The three alternative response hierarchy models show that the standard learning model, similar to the traditional hierarchy models, does not always apply. The notion of a highly involved consumer who is actively processing information and acting on the basis of a well-formed attitude may not work for particular types of purchases. From a promotional planning perspective, marketers examine the communication situation, such as consumers' use of information sources and their levels of product experience, determine which type of response process is most likely to occur, interpret involvement levels, and assess competitor's product/service differentiation. After this analysis, the manager determines which response sequence is most likely to operate and designs the IMC program to influence the response process that favours the brand.

As an example of different responses, consider the corporate social responsibility (CSR) activity of General Mills for its Honey Nut Cheerios brand over a few years. It invited consumers to register online to receive free wildflower seeds to be planted and grow the food source for bees to make honey. Next, General Mills created a pop-up grocery store showing life with and without bees with science-based displays to capture the overwhelming excitement and interest of children. Finally, General Mills published a children's book to describe their CSR activity and distributed 100,000 copies for free through book retailers.²⁶

SUMMARY OF RESPONSE HIERARCHY MODELS

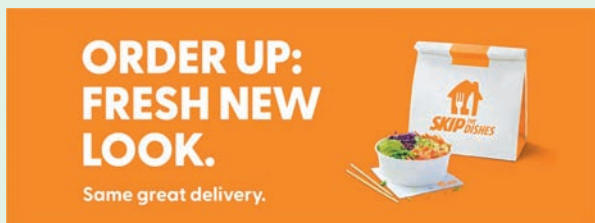
The traditional and alternative response hierarchy models show different perspectives on how the receiver of an ad message responds, leading to questions about their feasibility.²⁷ A comprehensive review concluded that promotional planners have used hierarchy models for 100 years, but there is little support for the sequences proposed.²⁸ In short, there is no need for a promotional planner to assume one model (e.g., the standard learning model vs. the low-involvement model) is better or more applicable than the other. It is important to conclude that the receiver's response process includes both *cognition* (the "thinking" dimension of a person's response) and *affect* (the "feeling" dimension), however, there is no particular sequence of responses as conceived previously. The implication is that promotional planners try to design ads with the intention of eliciting positive brand thoughts and feelings when the receiver processes the brand's message.

IMC Perspective 4-1 summarizes the messages from SkipTheDishes that made a strong brand even stronger. The messages illustrated multiple food products and many consumption situations, allowing consumers to respond favourably and ultimately influence their purchase behaviour.

IMC PERSPECTIVE 4-1

SKIPTHEDISHES^B

Winnipeg-based SkipTheDishes (Skip) debuted in 2012, and the brand estimated it represented 23,000 restaurants and achieved 50% market share in the food delivery product category by 2020. By then, Skip managers saw future growth in breakfast, late evening, and larger group orders. Initial messages focused on educating consumers to order a variety of food options using their food app. The ads featured older couples at home indicating their interest in ordering a variety of food. It transitioned to the "You Deserve Great Delivery" campaign with John Hamm and his sidekick Brandon.



Skip the Dishes

The funny ads showed Jon in a variety of scenarios culminating in either ordering or eating food with Brandon. At first Jon asks Brandon to order poutine, and the sequel moves to a Pad Thai request. Later executions focused on a birthday burger, sandwich, pizza, spaghetti, sundaes, breakfast dessert, avocado toast, and shawarma being eaten on the slide of a cliff. Two executions highlighted Skip's rewards program, one with a "mac n cheese" entree, while a third execution showed Jon's disappointment in having his Canadian citizenship application denied!

Additional exposure during this time frame included sports sponsorships and arena/stadium ad placements. Video ads customized to celebrate three Canadian teams in the NHL playoffs carried the sports momentum to attract millennials. Fans could order food sold at the home arenas in Vancouver, Calgary, and Montreal or specialty menu items from other restaurants.

In 2020, Skip financially supported restaurants with a number of initiatives, offered support to food banks and front-line workers, and featured upstart ghost kitchens on

their menu to help budding entrepreneurs. They communicated its commitment to food delivery safety through paid ad messages. Additionally, Skip altered its brand identification by changing its colour from red to orange after it was purchased by Dutch-based Just Eat Takeaway.

Skip's new direction from Just Eat Takeaway focused on growing its business beyond the 6.2 million Canadians who used food delivery services and the 67% who enjoyed Skip. The new owner of Skip initiated an agency review and changed its agency of record to McCann. The agency moved the messages away from the Jon

and Brandon storyline, and the message of the first "Let's get hungry" campaign showed a couple of younger guys wearing NHL sweaters "couch-gating" as they got ready for the big game on TV.

QUESTION

1. How would you assess the campaign with Jon Hamm in terms of the response hierarchy models?

LO3 Receiver's Processing of Communication

The information processing model explored in the previous section led researchers to investigate the receiver's thoughts and feelings while experiencing a persuasive message more thoroughly. For example, what comes to mind during the 30 seconds an ad is played before a movie at a cinema? When an ad is shown on Instagram, how will the receiver feel for the few seconds (or longer)? This resulted in a comprehensive understanding of the receiver's response by closely examining the processing of marketing communication, a notable aspect omitted from the hierarchy response models. This section initially reviews the idea of consumer processing of ad messages. It then describes two approaches that adopt this idea: the cognitive response model and the elaboration likelihood model.

PROCESSING OF AD MESSAGES

Perception is the way an individual receives, attends to, interprets, and stores information from external sources to create a meaningful picture of the world. These four aspects of perception are known as exposure, attention, comprehension, and retention of information. Perception depends on internal factors such as a person's beliefs, experiences, needs, and expectations, and external factors such as the characteristics of a stimulus (e.g., size, colour, intensity) and the context in which it is seen or heard. Applying this to advertising suggests that message and media decisions influence (1) how consumers sense external information (i.e., promotional messages delivered by media), (2) how they attend to different sources of information, (3) how this information is interpreted and given meaning, and (4) how the information is retained, which are all critical aspects of consumers processing ad messages. The number and complexity of marketing stimuli a person is exposed to daily requires filtering, which results in **selective perception**.

Selective exposure occurs as consumers choose whether or not to make themselves available to marketing information. For example, a viewer of a television show may change channels or leave the room during commercial breaks. A non-user of perfume might decide not to open the scented strip to sample the aroma. Or, the smartphone user can decide to simply delete an unwanted email message from an unfamiliar brand. As these examples suggest, consumers' sensation of the exposure is critical. **Sensation** is the immediate, direct response of the senses (see, hear, touch, taste, smell) to a stimulus such as an ad, package, brand name, point-of-purchase display, food sample, or mobile alert. Marketers try to increase the level of sensory input so that their advertising messages will get noticed and activate a consumer's physiological reactions. For example, the visual elements of an ad are designed so that consumers sense their existence. This is one reason why many TV ads start with a particular visual movement or sound effect. The ping of an email message from a favourite brand of shoes is also now used for sensation purposes.

EXHIBIT 4-12 Nike creates an ad that draws attention.



Source: NIKE Inc.

Selective attention occurs when the consumer focuses on certain marketing stimuli while excluding others. In terms of advertising, promotional planners use the creative aspects of their ads to gain consumers' attention. The Nike ad in **Exhibit 4-12** would presumably be noticed by most people, with its headline and imposing image. Marketers also place ads

in certain time slots or locations so that consumers will notice them more easily. For example, a consumer may pay more attention to a radio ad that is heard while alone at home than to one heard in the presence of friends, at work, or anywhere distractions may be present. Internet advertisers cleverly place their display ads on a page to encourage browsers to attend to their message; however, online ads have the lowest rates for gaining attention. Individuals usually focus on elements of the environment that are relevant to their needs and tune out irrelevant stimuli. In a marketing communication context, two people may perceive the same stimulus (e.g., Internet banner ad, sample offer) in very different ways because they selectively attend to messages differently.

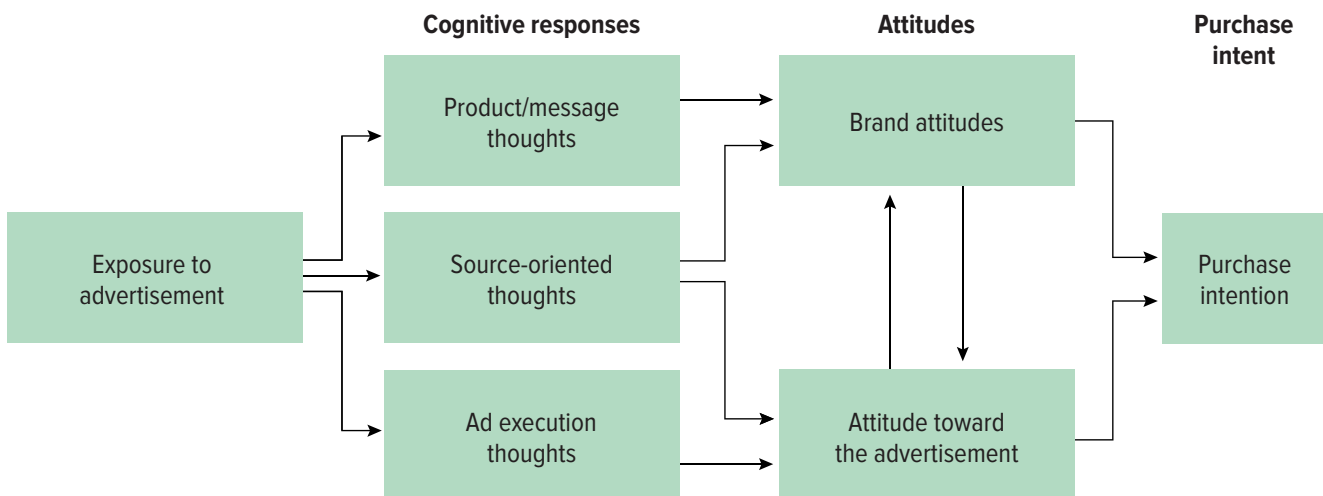
Selective comprehension occurs when consumers interpret marketing information on the basis of their own attitudes, beliefs, motives, and experiences. Often, the receiver of an ad message interprets brand claims that support their own position. For example, a comparative ad that disparages a consumer's favourite brand may be seen as biased or untruthful, and its claims may not be accepted. Thus, even if the consumer notices and attends to the advertiser's message, it may not be interpreted in the intended manner. Alternatively, a consumer loyal to a brand who sees an ad for that brand is more likely to agree with the ad claims. Finally, the interpretation and meaning an individual assigns to an incoming stimulus also depends in part on the nature of the stimulus. Consumers more easily comprehend objective ads with a clear and direct message, while the meaning of ambiguous ads is strongly influenced by the consumer's interpretation.

Selective retention means consumers do not remember all the marketing information they see, hear, or read even after attending to and comprehending it. Advertisers attempt to make sure information will be retained in the consumer's memory so that it will be available when it is time to make a purchase. The final stage of the perceptual process involves the storage of the information in short-term or long-term memory. Consumers may make mental notes or focus on part of an advertising message to ensure that they will not forget, thus permitting easy retrieval when the information is needed.

COGNITIVE RESPONSE MODEL

One widely used method for understanding consumers' processing of advertising messages is to examine their **cognitive responses**, the thoughts that occur to them while reading, viewing, and/or hearing a communication.²⁹ These thoughts are usually measured by having consumers write or verbally report their reactions to a message.³⁰ The assumption is that these thoughts reflect the recipient's cognitive reactions and shape ultimate acceptance or rejection of the message. Academics and advertising practitioners both use the cognitive response approach to determine the types of responses evoked by an advertising message and to investigate how these responses relate to attitudes to the ad, brand attitudes, and purchase intention. **Figure 4-4** depicts three categories of cognitive responses: product/message, source oriented, and ad execution thoughts. It also shows that two different cognitive responses influence brand attitude and attitude to an ad, however promotional planners might also consider the possibility that all three impact both attitudes in some advertising situations. A recent investigation indicating the value of this model evaluated receivers' responses of flash mob videos found in social media.³¹

FIGURE 4-4 A model of cognitive response



Product/Message Thoughts

The first category of thoughts comprises those directed at the product based on the benefit claimed in the ad message. Research focused on two types of responses: counterarguments and support arguments.³² **Counterarguments** are the receiver's thoughts that are opposed to the position taken in the message. For example, consider the ad for Shred-It shown in **Exhibit 4-13**. A consumer may express disbelief or disagreement by wondering why they ought to be concerned about being scammed. **Support arguments** are the receiver's thoughts that affirm the claims conveyed in the ad message—"Ooohhh ... I think I'd better take some action to protect my records and documents." Anticipating cognitive responses while planning for ad messages is a challenging task for promotional managers. For example, research prior to the launch of a Dove Men+Care ad that encouraged men to take paternity leave garnered virtually 100% support arguments from both men and women, despite initial backlash from special interest groups concerned the message infringed on women's rights.³³

The likelihood of counterarguing is greater when the message makes claims that oppose the receiver's beliefs. For example, a consumer viewing a commercial that attacks a favourite brand is likely to mentally, and potentially verbally, disagree. These counterarguments relate negatively to message acceptance; the more the receiver counterargues, the less likely they accept the position advocated in the message.³⁴ Support arguments, on the other hand, relate positively to message acceptance. Thus, marketers develop ads or other promotional messages that minimize counterarguing and encourage support arguments.

EXHIBIT 4-13 Consumers generate support arguments in response to ads with extensive copy.



Hand-out/Shred-It/Newscom

Source-Oriented Thoughts

A second category of cognitive responses shown in **Figure 4-4** is directed at the source of the communication. As noted in the previous section, the source is the spokesperson or brand delivering the brand claim in the ad message. Like many things in advertising, the receiver responds negatively or positively. **Source derogations** are negative thoughts about the spokesperson or organization making the ad message claims. Such thoughts generally lead to a reduction in message acceptance. If consumers find a particular spokesperson annoying or untrustworthy, they are less likely to accept what this source has to say.

Source bolsters are favourable thoughts generated about the spokesperson or brand. In general, most advertisers attempt to hire spokespeople their target audience likes or respects to positively influence brand attitude and the receiver's attitude to the ad, as shown in **Figure 4-4**. Considerations involved in choosing an appropriate source or spokesperson are discussed in **Chapter 7**. For now, consider how consumers might react to the ad in **Exhibit 4-14** with Roger Federer delivering this message for Rolex watches.

EXHIBIT 4-14 The source in this ad could elicit both types of source thoughts.



Source: Rolex SA

Ad Execution Thoughts

The third category of cognitive responses shown in **Figure 4-4** consists of the receiver's thoughts about the ad in terms of creativity, quality of the visual effects, colours, style, layout or design of a print ad, music or other audio element in a video or audio ad, and the scenes within the story of a video ad. **Ad execution-related thoughts** do not concern the ad's product and/or message claims directly but are focused on its design elements. This approach also considered the affective reactions representing the consumer's *feelings* toward the ad execution.³⁵ Additional research concluded that the emotions could be extremely specific associated with the message content or very general or abstract.³⁶ Further research concluded that these emotional responses are either favourable or unfavourable.³⁷

EXHIBIT 4-15 Execution elements contribute to effective emotional responses for this fragrance ad.



ugpix / MEGA / Newscom/UBMROM/Newscom

Investigation of the affective responses to ad execution occurred when research transitioned from a purely cognitive view of advertising response toward integrating cognitive and affective responses. Consequently, the cognitive response model is partially misidentified, since its evolution included affective responses. This historical limitation is understandable to some degree as later research identified lower-order emotions (e.g., pleasure, arousal) with minimal cognitive ad evaluations, and higher-order emotions (e.g., fear, guilt, hope, awe) with significant cognitive ad evaluations.³⁸ The foreground image, brand identification, and background graphics of the ad in **Exhibit 4-15** are important executional elements that evoke favourable emotional responses towards the YSL brand.

Attitude to Brand

An important outcome of cognitive responses to an ad message is the receiver's attitude toward the brand. Consumers hold attitudes toward a variety of marketing stimuli, including product brands (Cheerios), company brands (Microsoft), product categories (beef, eggs, vegan food), retail stores (Hudson's Bay, Nordstrom), online stores (Amazon), advertising campaigns (Telus—The Future Is Friendly), promotional activities (CIBC's Run for the Cure), and individuals (endorser Sidney Crosby).

Initially, researchers viewed attitude as a learned predisposition to respond to an object.³⁹ Decades of investigation led notable researchers to conceive attitude as a latent disposition or tendency to respond to an object based on an evaluation ranging from positive to negative.⁴⁰

Figure 4-4 shows that brand attitude is the receiver's overall brand assessment based on two cognitive responses that lead to purchase intention, a favourable behavioural outcome expected from advertising. Since ads are typically directed to a target audience, the positive thoughts of the message and source contributes to maintaining a strong brand attitude for loyal customers who will likely agree with the benefit claims of the ad message. For a brand's non-customers, one of the variables like the source of the ad message might contribute to a more positive brand evaluation. Thus, the cognitive response model predicts the direct effects of the main parts of an ad message on brand attitude, and it therefore provides a clear direction for assessing the effectiveness of an advertiser's decisions. This cause-and-effect application is a significant advantage of the cognitive response model compared to the hierarchy response models. Moreover, this same point extends to the attitude to ad outcome as well.

Attitude to Ad

Attitude toward the ad represents the receiver's favourable or unfavourable evaluation of the ad.⁴¹ **Figure 4-4** shows that both the source of the ad message and ad execution elements influence the receiver's attitude to the ad. The receiver having reactions to ads resulting from two of the three responses to the ad message is an idea not included in previous response hierarchy models, so this is another improvement of the cognitive response model. **Figure 4-4** shows that the receiver's attitude to the ad directly influences brand attitude, and this relationship is well established in advertising research.

Extensive research established support for the model. One study found that people who enjoy a commercial are twice as likely as those who are neutral toward it to be convinced that the brand is the best.⁴² Another study found that those with more positive attitudes toward advertising in general attain stronger persuasion levels.⁴³ Additional research concluded that consumers' affective evaluation about the ad may be just as important as their brand attitude in determining an ad's effectiveness.⁴⁴ The affective reactions and feelings generated by the ad are extensive, and one study identified up to 30 different emotions within their experiment of ad effectiveness.⁴⁵ Further research showed that the receiver is predisposed to react to ad content with greater intensity for positive versus negative emotional appeals,⁴⁶ and greater intensity occurred for positive versus non-emotional appeals.⁴⁷

An important conclusion of the cognitive response model is that an ad message evokes cognitive and affective reactions of product benefit claims, source delivery, and execution, and these thoughts and feelings lead to key effectiveness criteria of brand attitude, attitude to the ad, and purchase intention. However, research later identified significant concerns about the attitude to the ad concept. One review concluded that the concept resembled other advertising responses and appeared more

like short-term emotional responses.⁴⁸ Another review concluded that a standardized measurement did not exist, indicating a lack of agreement on content of the concept.⁴⁹ In conclusion, these two limitations contributed to other advertising response models not formally including attitude to the ad in their view.

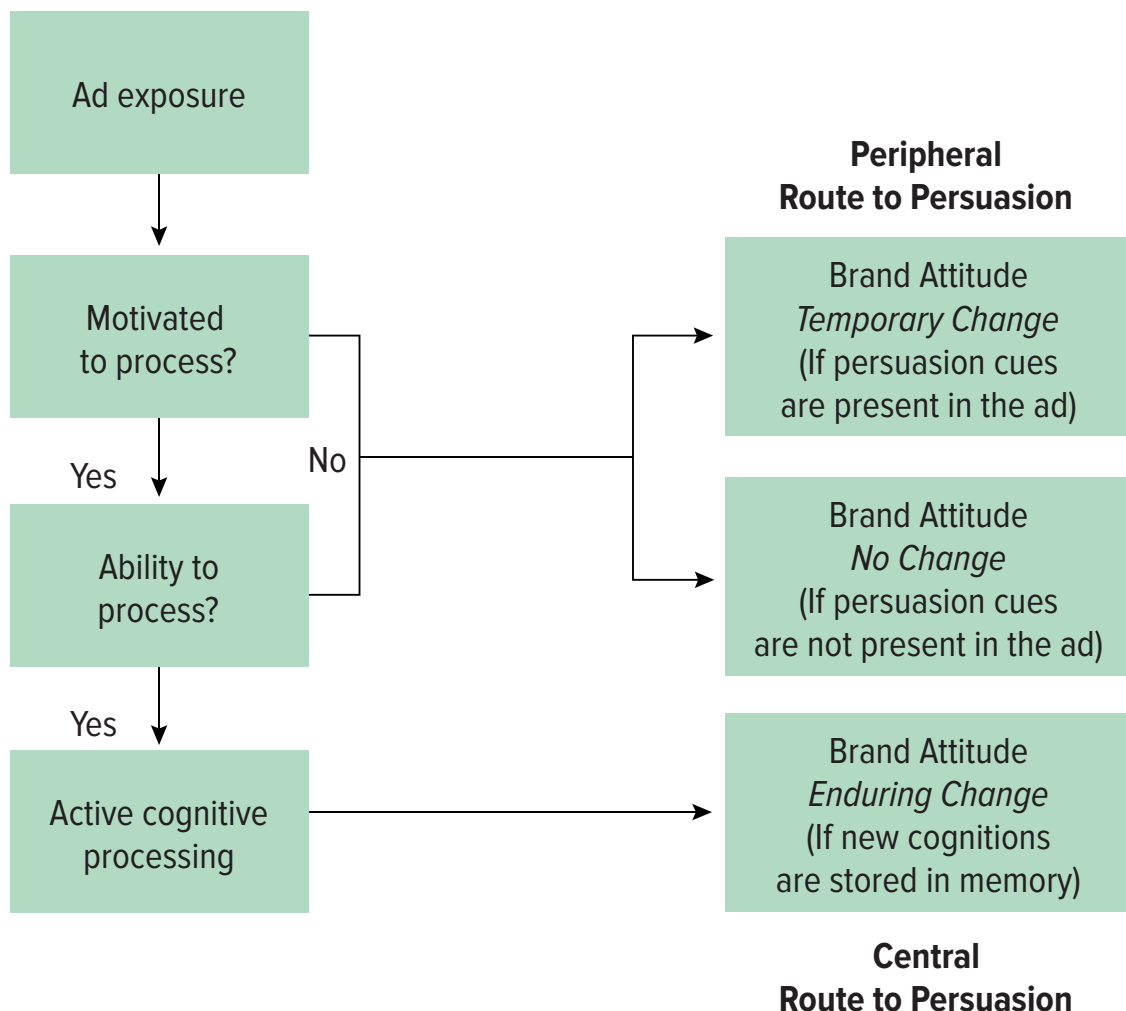
Purchase Intention

Ultimately, the above attitudinal elements of the cognitive response model influence the receiver's purchase intention toward the brand. **Purchase intention** is a planned self-instruction to actually buy the brand. Extrapolating this idea of purchase intention, managers could view this planned behaviour alternatively like an intention to visit a store, intention to attend a marketing event, or any other worthy consumer behaviour the advertiser would like to influence.

ELABORATION LIKELIHOOD MODEL

The **elaboration likelihood model (ELM)** shown in **Figure 4-5** illustrates differences in how consumers process and respond to persuasive ad messages.⁵⁰ The ELM explains the process by which communication (such as an ad message) leads to persuasion by influencing *attitudes*. According to this model, the attitude formation or change depends on the amount and nature of *elaboration*, or processing, of relevant information that occurs in response to persuasive communication. The elaboration has two elements—motivation and ability to process the message. *Motivation* to process the message depends the receiver's involvement, personal relevance, and individual needs and arousal levels. *Ability* to process the message depends on the receiver's knowledge, intellectual capacity, and opportunity. High elaboration (central route to persuasion) means the receiver carefully evaluates the information or arguments contained in the message. Low elaboration (peripheral route to persuasion) occurs when the receiver does not actively process the information but rather infers conclusions about the message on the basis of simple positive or negative cues, consistent with the low-involvement model of the previous section.

FIGURE 4-5 Simplified elaboration likelihood model of persuasion



Central Route

EXHIBIT 4-16 The central route to persuasion likely occurs with this ad.



©Oral B, Procter & Gamble

Under the **central route to persuasion**, the receiver is viewed as an active, involved participant in the communication process who has high ability and motivation to attend to, comprehend, and evaluate messages. When central processing of an advertising message occurs, the consumer pays close attention to message content and scrutinizes the message arguments. A high level of cognitive response activity or processing occurs, and the ad's ability to persuade the receiver depends primarily on the receiver's evaluation of the quality of the arguments presented. Predominantly favourable cognitive responses (support arguments and source bolsters) lead to favourable changes in cognitive structure, which lead to positive attitude change, or persuasion. Conversely, if the cognitive processing is predominantly unfavourable and results in counterarguments or source derogations, the changes in cognitive structure are unfavourable, resulting in negative attitude change. Attitude change that occurs through central processing is relatively enduring and resists subsequent efforts to change it. **Exhibit 4-16** shows an ad where the central route explains why it would effectively persuade consumers considering an electric toothbrush purchase, since it highlights many benefits derived from the questions listed.

Peripheral Route

Under the **peripheral route to persuasion**, the receiver is viewed as lacking the motivation or ability to process information. Rather than evaluating the information presented in the message with extensive cognitive processing, the receiver evaluates the peripheral cues that may be incidental to the main arguments. The receiver may use several types of peripheral cues or cognitive shortcuts. Favourable attitudes may be formed if the endorser in the ad is viewed as attractive and/or likable, or if the consumer likes certain executional aspects of the ad, such as the way it is made, the music, or the imagery. Notice how the ad in **Exhibit 4-17** contains positive peripheral cues contained in the excellent visual imagery. These cues might help consumers form a positive attitude toward the brand even if they do not process the message portion of the ad. Finally, ELM views attitudes resulting from the peripheral route as temporary; favourable attitudes are maintained from repetitive processing of the peripheral cues facilitated by frequent media exposure.

EXHIBIT 4-17 The colourful imagery in this ad acts as a peripheral cue.



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Explanation for the ELM

Classical conditioning is one explanation for how the peripheral route to persuasion works. This view assumes that automatic learning is an *associative process* with an already existing relationship between a stimulus and a response. This process is transferred to a **conditioned stimulus** that elicits a **conditioned response** resembling the original unconditioned reaction. Two factors are important for learning to occur through the associative process. The first is *contiguity*, which means the unconditioned stimulus and conditioned stimulus must be close in time and space. The other important principle is *repetition*, or the frequency of the association. The more frequently the unconditioned and conditioned stimuli occur together, the stronger the association between them will be.

Buyers can be conditioned to form favourable impressions of brands through the associative process. Advertisers strive to associate their products and services with perceptions and emotions known to evoke positive reactions from consumers. Products are promoted through image advertising, in which the brand is shown with an unconditioned stimulus that elicits pleasant feelings. When the brand is presented simultaneously with this unconditioned stimulus, the brand itself becomes a conditioned stimulus that elicits the same favourable response. The ad in **Exhibit 4-18** associates the product with the look and sweetness of a lollipop. Extending beyond visual elements of a message, research supports the importance of music in ads to enhance the associative process.⁵¹ For example, one study showed that music that is congruent with a message enhanced both ad recall and recognition as well as slogan recall.⁵²

EXHIBIT 4-18 Mariah Carey's new perfume associates its product with the look and sweetness of a lollipop.



Source: Mariah Carey Beauty and EA Fragrances Co

Implications of the ELM

The ELM has important implications for marketing communication since the most effective type of message depends on the route to persuasion the target audience follows. If the involvement level of the target audience is high, an effective message would contain strong arguments that are difficult for the receiver to refute or counterargue. If the involvement level of the target audience is low, peripheral cues such as music or images may be more important than detailed message arguments. For example, in the Casio ad in **Exhibit 4-19**, the cool skateboarder image and product images dominate the message, leaving someone in a low-involvement target audience group to not consider price or reliability attributes. Therefore, marketers of low-involvement products rely on creative tactics that emphasize peripheral cues and use repetitive advertising to create and maintain favourable attitudes toward their brand.

An interesting test of the ELM showed that the effectiveness of a celebrity endorser in an ad depends on the receiver's involvement level.⁵³ When involvement was low, a celebrity endorser had a significant effect on attitudes. When the receiver's involvement was high, however, the use of a celebrity had no effect on brand attitudes; the quality of the arguments used in the ad was more important. The explanation given for these findings was that a celebrity may serve as a peripheral cue in the low-involvement situation, allowing the receiver to develop favourable attitudes based on feelings toward the source rather than processing of the message extensively. A highly involved consumer, however, experiences more detailed central processing of the message content. The quality of the message claims becomes more important than the identity of the endorser.

EXHIBIT 4-19 This Casio watch ad emphasizes the cool skateboarder image, rather than price or reliability, likely influencing low-involvement audiences.



©OvuOng/Shutterstock

CONCLUSION OF PROCESSING MODELS

These two processing models demonstrated the usefulness and importance of understanding what the receiver is thinking and feeling when exposed to a persuasive message as part of a brand's marketing communication. The cognitive response model improved our understanding by seeing the effects of message decisions on brand attitude and attitude to the ad. The elaboration likelihood model explained the importance of involvement when the receiver processes a message. Combined, these views provided marketers with a better understanding of the receiver's processing of ad messages to form or influence brand attitude.⁵⁴

However, these two models did not account for consumer experience with the product category or the brand. Research showed that product category knowledge and brand *experience* from both purchase and usage strongly influences how the receiver processes the ad message.⁵⁵ Advertising has a differing effect when receiving the message depending on whether the receiver currently uses the *product category* or not, and if the receiver currently uses the *brand* or not. The approach described in the next section resolves this limitation and adheres to the processing improvement established in this section.

LO4 Response Model for Managerial Decision Making

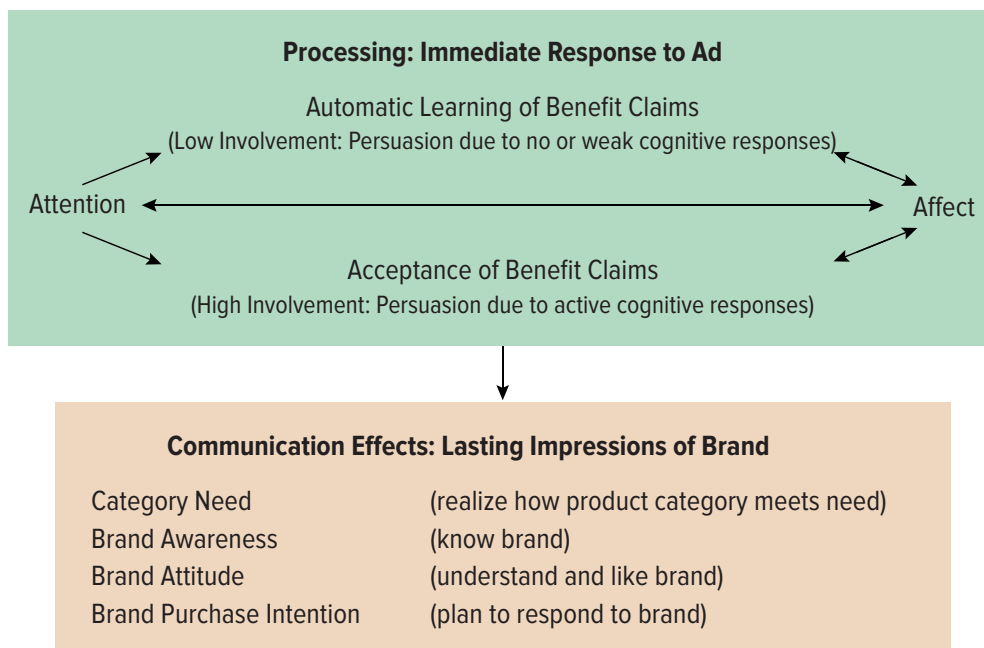
The Rossiter and Percy (R&P) perspective introduced in **Chapter 3** identified options for the target audience decision. This perspective suggests that promotional planners initially consider the message as being directed to either customers purchasing their brand or non-customers not purchasing their brand. This managerial view starts with the consumer and is based on the target audience's previous product category experience and degree of brand loyalty.⁵⁶ As noted in the previous section, product category and brand experience both influence how an ad message will be processed. Marketing communication professionals and researchers have called for an alternative model that accounts for consumer responses to all aspects of marketing communication.⁵⁷ The decision-making orientation of this model addresses this request with its brand-building focus.

Figure 4-6 shows the processing stage that identifies the immediate responses to any advertising message after receiving an ad exposure. This involves the target audience's psychological experiences while watching a television ad, for example. Communication effects refer to the lasting category and brand impressions remaining with the target audience after processing the message. This involves the target audience's category and brand knowledge resulting from watching the television ad, for example. This TV application of processing and communication effects is readily extended to all methods of marketing communication, such as other media, sales promotions, public relations, and social media.

PROCESSING OF MESSAGES

Processing of messages shown in **Figure 4-6** features three key parts: attention, cognitive responses grouped as either high or low involvement, and affect responses. This approach is consistent with the models described in the previous two sections.

FIGURE 4-6 Planning for ad processing and communication effects



Attention is represented in the AIDA and information processing models, but neither model defined or demarcated the processing stage from the communication effects stage as clearly as the R&P perspective. As noted earlier, selective attention is an important part of the overall perceptual system, so it is an expected part of the processing of ad messages after exposure and not part of the latter communication effects stage.

The high and low processing of ad messages shown in **Figure 4-6** is similar to the ELM with its view of central and peripheral routes to persuasion. In this case, high involvement occurs with active cognitive responses of the product message, source, and ad execution elements that leads to the target audience accepting the benefit claims. Thus, the content of the cognitive responses is aligned with the cognitive response model. In contrast, low involvement occurs with minimal or no cognitive responses that leads to automatic learning of benefit claims. A distinction between acceptance of benefits claims for high involvement and automatic learning of benefit claims for low involvement is the unique feature of the R&P perspective, which is a more suitable model managerial decision making.

The affect or emotional responses shown in **Figure 4-6** accounts for the receiver having emotional responses to the ad message elements (e.g., product message, source, ad execution), a key part of the cognitive response model that went beyond a completely cognitive perspective. For example, pleasant or unpleasant emotional responses occur while attending to a design element of the ad message (e.g., music), positive or negative emotional responses arise when seeing and listening to the spokesperson delivering the ad message, and interest or disinterest emotional responses ensure from the product description of the ad message.⁵⁸

The experience of cognitive responses and emotional responses occurring seemingly simultaneously while the receiver attends to an ad message is consistent with current views of marketing communication and understanding of how the brain works in psychology.⁵⁹ Anecdotal evidence of this is seen when one considers reactions to TV ads where both *thinking* about the brand and the ad message and *feeling* something about the brand and the ad message is part of the overall experience. Finally, the emotional responses may focus the attention of the receiver, as indicated with the dual causal direction between attention and emotional responses.

From an IMC planning perspective, managers design brand messages while understanding the target audience's processing. For instance, to attract new customers, the manager may consider brand messages that will support high-involvement processing. And, as shown in the media chapters and the chapters relating to other communication programs, the manager may consider more involving avenues for delivering the message (e.g., social media). In contrast, to maintain current customers, the manager may consider brand messages that are captivating from an emotional standpoint while adding a reminder message to ensure automatic learning. Alternatively, companies have programs to both attract and retain customers. This could require promotional planners to strategically evaluate the balance of their messages. Should messages that attempt to generate high involvement be primary or secondary in the overall message strategy? Should the brand design ads to evoke certain emotional responses that resonate with current customers and design ads with different emotional responses that resonate with non-customers? Analytical questions such as these emerge by considering the processing stage as a key precursor to planning for the communication effects stage, another key feature of the R&P perspective.

COMMUNICATION EFFECTS OF MESSAGES

Figure 4-6 identifies four **communication effects** retained more permanently in the target audience's memory. An important distinction is that there is no assumption of a hierarchy for the communication effects. They are independent of one another, although brand awareness and brand attitude are developed relatively simultaneously in most campaigns. The remaining communication effects can occur prior to, during, or after awareness and attitude are established with new category users or non-customers. And the remaining communication effects may be enhanced in a campaign while current customers maintain or strengthen their awareness of and attitude toward the brand.

Category Need

Category need involves the target audience's belief in requiring a specific product category to satisfy a particular consumer need. This communication effect is relevant because it supports the primary demand growth of a product category independent of a manager's brand. It is also important because the start of the decision-making process is need recognition, so linking a product category to a particular consumer need is an ongoing marketing communication task for most brands.

Brand Awareness

Brand awareness involves the target audience's ability to recognize and/or recall the brand within the product category in sufficient detail to make a purchase. This communication effect is a strong form of consumer knowledge as the target audience needs to know extensive details about the brand to have confidence in the purchase selection. It also highlights the importance

of distinguishing between knowledge that is retrieved via brand recall and knowledge that is salient when given a prompt or cue via brand recognition.

Brand Attitude

Brand attitude involves the target audience's overall evaluation of the brand in relation to its ability to satisfy the reason why they want it. Brand attitude is a central communication effect where the target audience's evaluation includes both cognitive and affective components, acknowledging that each aspect is relevant for planning for all purchase situations. Other models represented the entire response process (i.e., cognition, affect, behaviour) as reflecting an attitude that occurred in various orders. This idea of brand attitude does not rely on any hierarchical order of the attitude components.

Brand Purchase Intention

Brand purchase intention involves the target audience's self-instruction to respond (with shopping behaviour or a purchase) to the brand. A mental activity predicated on the anticipation of participating in a behavioural action specifically directed to the brand is another indicator of the effects of marketing communication.

IMC Perspective 4-2 documents a successful Subaru Outback campaign that applies much of the material discussed in this section.

IMC PERSPECTIVE 4-2

2020 SUBARU OUTBACK IS THE GOOAT!®

Ads for the redesigned 2020 Subaru Outback compared the brand to past versions of the vehicle by identifying the new model as the Greatest Outback of All Time! To creatively demonstrate this comparison, ads playfully compared the GOOAT with an actual mountain goat! The Outback climbed up and down the mountain faster than the goat. The Outback's four-wheel drive traversed more strongly than the goat's hoofs. The goat's hopping did not match the Outback's ground clearance. And the goat tapped out on carrying a 14-foot canoe as the Outback streaked across the rough mountain road with the canoe on its roof rack.



Subaru (photographer: Noel Hendrickson)/Zulu Alpha Kilo

Subaru's unique design meant that it didn't fit in the conventional wagon, crossover or SUV product categories, and this always challenged past advertising agencies. Based on this view, the new ad agency believed that comparing the Outback to other brands would not be as effective as comparing it to past iterations of the iconic vehicle. And so the GOOAT versus GOAT creative theme emerged, and it proved to be a winner at attracting sig-

nificant positive processing of the message. Other ridiculous comparisons carried the idea. A Facebook poll let consumers rate the vehicle's horse power to hoof power! A print ad compared the Outback's EyeSight Safety Technology with the goat's eyesight. A brochure listed the Outback's features next to the goat's features. All of these messages contributed to a strong belief in the benefit claims combined with positive emotions from the goat comparison.

With all this clear messaging that consumers received and retained, the Subaru campaign attained noteworthy communication effects. It achieved 60% awareness and the highest rating scores to measure brand attitude ever. This result translated into significant shopping, with double the website visits, 55% more build and price evaluations on the site, and 57% more dealer conversions. These communication results led to strong achievement of marketing objectives. Subaru surpassed the annual sales goal of 2,500 vehicles within the first six months by hitting 4,613 vehicles sold.

Although the GOOAT campaign for the Outback clearly communicated its key attributes, the overall communication remained consistent with Subaru's core brand benefits, such as technological superiority for safety and value. In fact, the GOOAT campaign consistently followed Subaru's overall marketing strategy to uniquely identify its brands to maximize brand awareness and brand quality beliefs.

QUESTION

1. Would you have continued the GOOAT campaign for the 2021 and 2022 models of the Outback? Why or why not?

LO5 IMC Planning: Managerial Decision Making

A few prescriptions for managers to make advertising and promotion decisions based on the models of this chapter are presented. After all, academics will continue this investigation while managers still need to make decisions.

First, managers should consider and plan for both the cognitive and the affective responses of the receiver who is processing advertising or any promotional message. The receivers typically experience both cognitive and emotional reactions to the messages they see all around them every day.

Second, managers are concerned with the resulting effects of the advertising or promotional message for a time period after the receiver has received and processed the message. As suggested in the models, managers want to know if their messages are improving awareness or attitudes.

Finally, the primary characteristic that influences communication success is the receiver's previous brand experience. This implies that managers should be cognizant of who exactly is the target of the message. As discussed in **Chapter 3**, the manager needs a detailed profile of the target audience to have an understanding to gauge communication success. Thus, managers require a decision framework that addresses these points.

The managerial approach suggested at the end of this chapter offers two important IMC planning considerations. First, there is an obvious and clear connection to the target audience's purchase of the promotional manager's particular brand. This is apparent with its reference to the brand in three communication effects. It is also seen in the connection to category need, which addresses the underlying reason why the target audience is motivated to buy the promotional manager's product, and where the target audience understands the brand to fit in the market in relation to brands in other product categories.

Second, the managerial model is applied for all aspects of an IMC program, as shown in **Figure 4-7**.⁶⁰ The managerial decisions (i.e., controllable variables), source, message, channel, and receiver (via target audience selection) are assessed in terms of resulting outcomes, exposure, processing, communication effects, and action. For example, ads with iPhone users (i.e., source) taking pictures or listening to music (i.e., message) shown on TV (i.e., channel) are directed to the target audience, who are likely to be users of iPhones. Promotional planners would undoubtedly be interested in four communication results listed for this execution. Furthermore, this logic could be extended for print ads or video-type ads placed on the Internet, either on a website or in social media.

Figure 4-7 IMC planning matrix

	Source	Message	Channel	Receiver
Exposure				
Processing				
Communication Effects				
Action				

Similarly, the same approach applies for a whole advertising campaign over time. For example, Telus ads with multiple animals (i.e., source) behaving in a way to visually convey a product (i.e., message) across multiple media (i.e., channels) are directed to the target audience, who are likely to be users of other brands (e.g., Bell, Rogers). Across all aspects of this advertising, Telus's promotional planners would concern themselves with all four communication results. Furthermore, this idea is extended to other promotional tools like Telus's public relations activities.

The final implication of this is that all elements of an entire IMC program are planned with a matrix, including any communication via the Internet and any kind of promotional event/activity or sales promotion. Any tool for communication retains the characteristics of the communication model in **Figure 4-1**. One exception would be a situation where a receiver encounters a brand message from another consumer in social media; however, the other consumer is the sender in this respect, and the planning retains its characteristics. The brand is concerned with how it influenced the consumer who is the sender of the message; this is evident in social media contexts where the brand encourages the development of user-generated content or other forms of marketing communication from ordinary consumers.

The R&P model and the other communication response models will be revisited in the next chapter. Promotional planners use a communication response model to determine the communication objectives for advertising and other promotional tools. It is important to base marketing communication decisions on a model and translate them into specific objectives since promotional planners need clear guidance for the remaining marketing communication decisions.

Learning Objectives Summary

LO1 Explain the elements of the communication process and identify the role of marketing communication.

The function of all elements of the promotional mix is to communicate, so promotional planners must understand the communication process. This process is complex; successful marketing communication depends on a number of factors, including the nature of the message, the audience's interpretation of it, and the environment in which it is received. For effective communication to occur, the sender encodes a message in such a way that it will be decoded by the receiver in the intended manner. Feedback from the receiver helps the sender determine whether proper decoding has occurred or whether noise has interfered with the communication process.

LO2 Contrast traditional and alternative response hierarchy models and identify their implications for advertising.

Promotional planning begins with the receiver or target audience, as marketers must understand how the audience is likely to respond to sources of communication or types of messages. Traditional response hierarchy models provide an initial understanding of this process; however, limitations of these models led to more comprehensive approaches. Alternative response hierarchy models modified past models regarding the target audience's involvement and perceived product differentiation. Different orderings of the traditional response hierarchy include the standard learning, dissonance/attribution, and low-involvement models. The alternative response hierarchy postulated different ordering of cognition, affect, and behaviour depending upon the involvement and differentiation.

LO3 Review the specifics of the receiver's processing of marketing communications.

The cognitive processing of communication revealed two models: the cognitive response approach and the elaboration likelihood model. The former examines the thoughts evoked by a message in terms of product/message thoughts, source-oriented thoughts, and ad execution thoughts and how they shape the receiver's ultimate acceptance or rejection of the communication by influencing brand attitude and attitude to the ad. The elaboration likelihood model of attitude formation and change recognizes two forms of message processing, the central and peripheral routes to persuasion, which are a function of the receiver's motivation and ability to process a message. The model postulates that each route leads to varying degrees of attitude change.

LO4 Illustrate a response model for managerial decision making.

Those responsible for planning the IMC program should learn as much as possible about their target audience and how it may respond to advertising and other forms of marketing communications. A managerial view of the response process provides direction for understanding how promotional planners should determine their brands' communication strategies. Planners should consider the immediate processing stage which includes attentions, cognitive responses, and emotional responses to messages. They should also consider the long-lasting communication effects of category need, brand awareness, brand attitude, and brand purchase intention.

LO5 Construct ideas on how the knowledge of a response model is used for IMC planning.

A useful approach for managers to understand how advertising works is included in this chapter. The model suggests that both cognitive and emotional processing responses are critical during the initial stages of receiving the message, such as while watching a TV ad or seeing an ad paid for by an advertiser in social media. Ads are developed with source and message characteristics to invoke the anticipated cognitive responses and the types of emotions experienced by the target audience. Furthermore, the model identifies lasting brand communication effects that promotional planners should strive to achieve with their ad messages and IMC tools that have source, message, and channel characteristics.

Review Questions

1. Recall the elements of **Figure 4-1** and identify them for all aspects of an IMC plan—advertising, sales promotion, direct marketing, public relations, and Internet marketing.
2. Explain why the three response hierarchy models of **Figure 4-2** are limited in planning for an IMC campaign.
3. Explain what is meant by a central versus a peripheral route to persuasion, and the factors that would determine when each might be used by consumers in response to an advertisement.
4. What are the key differences between traditional response hierarchy models and the response model shown in **Figure 4-6**?
5. Why is it important to use a response model that is more applicable to managerial decision making?

Applied Questions

1. Consider ads found in social media like Facebook, Twitter, and YouTube, and assess whether the model in **Figure 4-1** is useful for explaining how marketing communication works in these digital contexts.
2. Assume that you are the marketing communications manager for a brand of paper towels. Discuss how the low-involvement hierarchy could be of value in developing an advertising and promotion strategy for this brand.
3. Select an ad that would be processed by a central route to persuasion and one where peripheral processing would occur. Show the ads to several people and ask them to write down the thoughts they have about each ad. Analyze their thoughts using the cognitive and emotional responses discussed in the chapter.
4. Find an example of a print ad and evaluate it using the response model shown in **Figure 4-6**. Identify the specific types of cognitive and emotional responses that the ad might elicit from consumers and discuss why they might occur.
5. Red Bull has numerous IMC activities, including its TV advertising, events, and promotional activities. Check the Red Bull website and any other online material for background, and use the matrix in **Figure 4-7** to validate whether each activity assists in planning for an IMC.

CHAPTER FIVE

Setting Objectives for IMC



SOPA Images Limited/Alamy Stock Photo

LEARNING OBJECTIVES

- LO1** Distinguish among marketing, behavioural, and communication objectives and identify the value of setting each type of objective.
- LO2** Describe the historical approaches for setting communication objectives for advertising.
- LO3** Evaluate the options for setting behavioural objectives and apply them when constructing a promotional plan.
- LO4** Choose among the options for setting communication objectives and apply them when designing IMC recommendations.
- LO5** Assemble the best combination of behavioural and communication objectives for each stage of the consumer decision-making process.

Brand Leader Lululemon Athletica^A

Lululemon Athletica achieved significant brand status with the fourth-highest brand equity measure in Canada, behind big names like RBC, TD, and Bell, but ahead of other big names like Scotiabank, Telus, Rogers, BMO, and CIBC. The athletic clothing brand distinctively stands out among this group of banks and telecommunication companies! Originated in Vancouver, Lululemon is also clearly the youngest, after it established a design studio and a yoga studio in 1998. And among international athletic apparel brands, Lululemon trailed only Adidas, Nike, and Zara! This international appeal recently drove up its brand equity measure significantly more than all other top-ranked Canadian brands. This global success undoubtedly reflected the expertise of its managers, whose résumés document tremendous international brand-building experience.

For years Lululemon relied on its global brand ambassadors who conducted yoga classes and hosted events to build the brand and encourage a community feel for all of its customers. In 2017, Lululemon's first global advertising campaign entitled "This Is Yoga" showed famous athletes, musicians, and artists performing various yoga practices in a highly visual montage of images set to inspiring music. Subsequent video messages featured its various types of apparel. A more recent video message echoed the initial message with images of a regular consumer conveying the "Being Well Is a Journey" story.

Momentum from the Lululemon's twentieth anniversary celebrations spurred the current brand performance. An updated mission guided these and other marketing activities that moved the brand upwards. A refreshed shopping

bag with a thought-provoking and inspirational design enhanced its iconic and inspirational appeal. Online animated video messages featured inspirational stories from key athletic role models, like world boxing champ Michele Aboros. Limited edition celebration merchandise offered a gift-like promotion for loyal customers.

Lululemon opened a landmark store in Chicago that carried the brand along a path toward improved experience. The 20,000-square-foot location features a fitness studio with exercise meditation rooms and a restaurant to go along with the many fitness classes offered. The strategic plan envisioned similar facilities in other city locations. Other growth initiatives included expansion into personal care products and men's athletic apparel. Although Lululemon appeared ahead of its direct competitors Respect Your Universe and Outdoor Voices, management envisioned product innovation, international sales, and enhanced guest experiences in its future.

It launched "Community Carries On," where Lululemon's brand ambassadors led workouts and mindfulness practices, and started a "Move & Stay Connected Challenge" where participants tracked their progress. These new ideas supported Lululemon's annual SeaWheeze marathon event. Finally, the brand tested and launched a loyalty program.

Question

1. Based on this summary, what objectives is Lululemon trying to attain?

Promotional decision makers see objective setting as an important part of the IMC planning process. The task of setting objectives is complex and difficult and it must be done properly, because specific goals and objectives are the foundation on which all marketing communication decisions are made and provide a standard against which performance is measured. Although the opening vignette seems like a fun idea, the creativity reflects a well thought out plan to achieve specific objectives.

This chapter examines the purpose of objectives for the development, implementation, and evaluation of an IMC program. First, the chapter distinguishes among marketing, behavioural, and communication objectives. It then describes the historical approaches of setting objectives for marketing communication based on two response models discussed in **Chapter 4**. Next, the chapter reviews a managerial framework for setting behavioural and communication objectives for the entire IMC plan and IMC program, or an individual execution within an IMC program. The IMC planning section shows how objectives are set for each stage of the consumer decision-making process.

LO1 Objective Setting

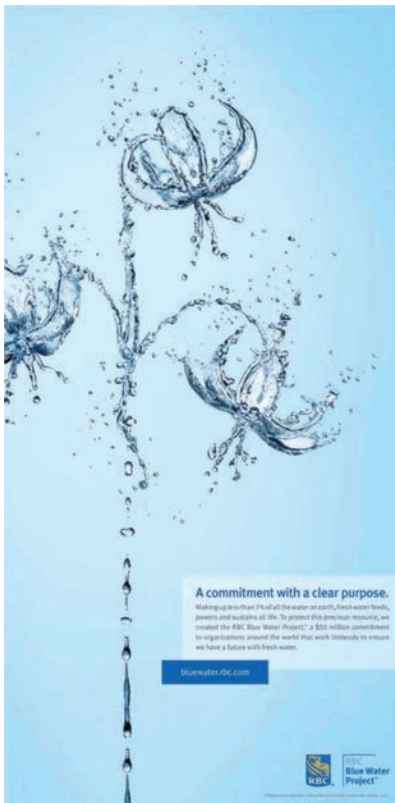
Setting objectives is an integral part of the promotional planning process. However, companies may neglect to set marketing communication objectives or set ones that are inadequate for developing the promotional plan or measuring its effectiveness. This section identifies the value of objectives and distinguishes among marketing, behavioural, and communication objectives for optimal IMC planning.

VALUE OF OBJECTIVES

Perhaps one reason why companies do not set objectives for their IMC programs is an inability to see their value. Advertising and promotional objectives are needed for reasons such as communication function, planning and decision making, and measurement and evaluation.

Communication Function

EXHIBIT 5-1 The objective of this ad is to demonstrate RBC's support for a cause.



©Royal Bank of Canada

Objectives for the IMC program facilitate coordination among the groups working on the campaign. One notable example is Hellmann's "Real Food Movement," designed to encourage Canadians to eat real, local food more frequently. Led by its signature mayonnaise product with its all-natural Canadian ingredients of eggs, canola oil, and vinegar, Hellmann's portrayed its brand as a natural part of everyone's diet.¹ After much success for a decade, the message changed toward minimizing food waste. Initiatives included a food rescue event at a sports stadium and a food conservation feature within a Hellmann's video game. More recently, Hellmann's created its #make-tastenotwaste campaign to offer a way for consumers to use its mayonnaise with remaining scraps of food in the kitchen to make a meal.² In this example, promotional personnel involved in the planning and development of the IMC program included client personnel and numerous contracted agencies. All parties coordinated the program together, which required knowledge of what Hellmann's hoped to accomplish through the objectives of its IMC program. As another example, the ad in **Exhibit 5-1** shows that RBC's involvement with the cause was dependent on all promotional participants' understanding RBC's objectives.

IMC Planning and Decisions

Promotional objectives guide IMC planning and the specific decisions within the IMC plan. As noted in **Chapter 1**, a firm's promotional strategy is composed of creative, media, and budget decisions that are logically based on the established objectives by the promotional planners. For example, to execute all the programs for its campaigns, Hellmann's retained agencies to develop public relations activities, digital communication, advertising, in-store presentations, and its website. Accurate and relevant communication and behavioural objectives guided the decisions of these agency partners, which contributed to Hellmann's success. In short, the development of the agencies' work relied on the promotional planners of Hellmann's careful identification of objectives. These objectives in turn allowed Hellman's to assess the campaign and the performance of the agency partners.

Measurement and Evaluation

Setting objectives provides a benchmark against which the effects of the promotional campaign are measured to evaluate whether the decisions are effective or ineffective. Well-identified objectives are measurable and specify a method and criteria for determining how well the promotional program is working. Most organizations are concerned about the return on promotional investment; comparing actual effects against measurable objectives determines whether the return justifies the expense. In terms of the Hellmann's example, the brand could measure the effects of the "Real Food Movement" for evaluation purposes, and possibly measure the effects of specific communications, like the recent video game, if the promotional planners believed this necessary.

MARKETING OBJECTIVES

Marketing objectives are outlined in the firm's marketing plan and are statements of what is to be accomplished by the overall marketing program within a given time period. Marketing objectives are usually defined in terms of measurable outcomes such as sales volume, market share, profit, or return on investment. Good marketing objectives are "smart" as they specifically delineate a target market, provide quantifiable measures, identify achievable and realistic levels of performance, and note the time frame for accomplishing the goal (often one year). For example, a copy-machine company may have as its marketing objective "to increase sales by 10% in the small-business segment of the market during the next 12 months."

The selection of the type of marketing objective is a function of market conditions. A company with a high market share may seek to increase its sales volume by stimulating growth in the product category, perhaps by increasing consumption by current users or encouraging non-users to buy the product. A firm in a fast-growing market may have market share as its marketing objective since this reflects that it is growing more quickly than its direct competitors. In mature markets with limited growth, firms tend to focus on profit as the key marketing objective. Finally, a firm that faces unique consumer preferences across various geographic markets (e.g., Ontario versus Quebec) may in fact have a unique marketing objective for each region. The marketing objective guiding the ad in **Exhibit 5-2** may be to increase sales volume since the message attempts to sway consumers to buy while participating in the contest.

Upon reviewing the marketing plan, the promotional planner understands the marketing objectives, the marketing strategy and tactics, and the importance and purpose of advertising and promotion. Marketing objectives defined in terms of sales, profit, or market share increases are usually not appropriate promotional objectives, however promotional planners may rely on marketing objectives for guiding the content and direction of the marketing communication objectives. Marketing objectives are for the entire marketing program, and achieving them depends on the proper coordination and execution of *all* marketing mix elements, not just promotion. Alternatively, promotional planners usually approach promotion from a communication perspective, where the purpose of advertising and other promotional mix elements is to communicate information or a selling message.

EXHIBIT 5-2 Guylian Belgian Chocolate encourages consumers to visit its website for the contest with an ultimate goal of increasing sales.



©Guylian

SALES OBJECTIVE DEBATE

Some managers believe that the only meaningful objective for a promotional program is sales, since the reason why a firm spends money on advertising and promotion is to sell its product. Promotional spending represents an investment of a firm's resources that requires an economic justification like other business decisions. Managers generally compare investment options on a common financial basis, such as return on investment (ROI). Their position is that promotional expenditures produce measurable results, such as increasing sales or the brand's market share, to assess the effectiveness of the investment decision.

One problem with a sales objective is that sales are a result of all marketing variables, such as product design or quality, packaging, distribution, and pricing. Advertising makes consumers aware of and interested in the brand, but it can't make them buy it, particularly if it is not readily available or is priced higher than a competing brand. Furthermore, unanticipated or uncontrollable environmental factors influence a firm's sales forecast even with a well-communicated promotion program. A second problem with a sales objective is that advertising effects occur over an extended time period, known as a **carryover effect** where expenditures do not immediately impact sales.³ Advertising creates awareness, interest, and/or favourable attitudes toward a brand, but these effects will not result in an actual purchase until the consumer enters the market later. A review of econometric studies that examined the duration of cumulative advertising effects found that for mature, frequently purchased, low-priced products, advertising's effect on sales lasts up to nine months.⁴ Additional models account for longer-term advertising carryover effects in other market situations.⁵

The counterargument of this debate is that a sales objective is feasible when these two factors are not relevant. If a marketer is certain that other marketing or environmental factors do not influence sales and that the carryover effect did not occur, then a sales objective could be plausible. In general, the likelihood of such conditions arising appears quite remote, which necessitates the use of behavioural and communication objectives as the primary approach for promotional planning purposes.

BEHAVIOURAL OBJECTIVES

EXHIBIT 5-3 This ad encourages a trial purchase with its funny message.



Source: J. Walter Thompson Sydney Advertising Agency

When a firm sets a brand’s sales growth objective (e.g., increase sales by 10%), the increased sales can arise from a greater number of purchases from current customers (e.g., brand loyals). Alternatively, higher sales can be gained from new customers who are currently not buying within the product category (i.e., new category users), or those currently buying within the product category but not the firm’s brand (e.g., other brand switchers). In all cases, achieving the sales growth is possible; however, the expected behaviour is fundamentally different. In the first case, the sales growth is due to a difference in the repurchase behaviour of current customers. In the latter two cases, the sales growth is due to trial behaviour by non-customers. **Figure 5-1** shows examples of how marketing objectives are attained through variations in the target audience and type of behaviour expected. The specific behavioural objectives are defined fully in a later section. Certainly, other opportunities are made possible by applying the concepts depending upon conclusions from a situation analysis.

The distinction between repeat purchase versus trial purchase behaviour is critical as it provides direction for the communication objectives, which subsequently provide guidance for message development. For example, increasing the repeat purchase frequency of favourable brand switchers might involve a message reminding these customers of the previous enjoyable consumption experiences, while a message to encourage trial from other brand switchers might require a comparative message to these non-customers showing the benefits of the competing brands. In these cases, the communication objectives are substantially different and are entirely derived from the target audience and the behavioural objective. The ad in **Exhibit 5-3** is likely directed to consumers who have not used a mouthwash previously.

Figure 5-1 Marketing objectives, audience, and behaviour

Marketing Objective	Target Audience	Behavioural Objective
Sales volume	New category users	Category and brand trial
Market share	Other brand switchers	Brand trial (switching)
Profit	Brand loyals	Repeat purchase (amount)
Return on investment	Favourable brand switchers	Repeat purchase (frequency)

COMMUNICATION OBJECTIVES

EXHIBIT 5-4 The Porsche will attempt to influence non-hybrid users to consider its new vehicle option.



Grzegorz Czapski/Shutterstock

Communication objectives are statements of what the marketing communication will accomplish and are usually based on a consumer response model discussed in **Chapter 4**. Each of these models identified communication effects a consumer receives from a brand message. Any of these effects are the basis for establishing communication objectives. For example, brand awareness is an effect that promotional planners try to achieve, and they can establish a brand awareness objective on three levels. First, an individual print ad is expected to increase the brand awareness, and the promotional planner will design the message and its presentation so the target audience will recall or recognize the brand when shopping. Second, a specific IMC program is expected to strengthen brand awareness, and the promotional planner will select one (e.g., event sponsorship) to raise the profile of the brand to those in the target audience. Third, all of the IMC programs contribute to improving brand awareness, and the overall IMC plan has a brand awareness objective. In short, communication objectives are set for each of these aspects of promotional planning: an individual element of an IMC program, an IMC program, and the overall IMC plan.

The Porsche public relations message shown in **Exhibit 5-4** illustrates these three considerations with respect to attitudinal communication objectives. An ad for this vehicle would attempt to persuade non-users of hybrid vehicles of its fuel efficiency while reinforcing that it does not compromise on regular vehicle performance. From an advertising campaign standpoint, the communication objective would be to ensure that an overall positive belief was established so that the target audience would visit the website or dealership. Finally, the other IMC programs of the IMC plan have the objective of allowing consumers to believe that this brand could fulfill all needs (safety, economy, and performance).

Regardless of whether the communication objectives are for the IMC plan, a particular program, or a specific ad, objectives are based on the particular communication tasks required to deliver the appropriate messages to the specific target audience at a relevant point within the target audience's purchase decision-making process and consumption experience. Thus, the promotional planner determines how the IMC plan fits into the marketing program and what the firm hopes to achieve through advertising and promotion by reviewing the marketing plan. Managers translate a general marketing objective into a particular behavioural objective and specific communication objectives.

The importance of setting communication objectives for a promotional plan is seen in Canadian Tire's IMC plan. The ads associated with the Olympic sponsorship, "We All Play for Canada," inspired Canadians as the campaign achieved 55 million media impressions. Advertising tracking measures improved in 2014 over 2013 in terms of prompted recall, brand effects, and message communication. Extensions of the "We All Play for Canada" message included exposure with other sports and a connection to Canadian Tire's Jumpstart program. An important feature of Jumpstart included the "Big Play" where children received tickets to a Team Canada game during the World Junior Championship. With heightened media exposure, awareness reached 95% and significant social media activity helped the charity to raise nearly \$50,000.⁶

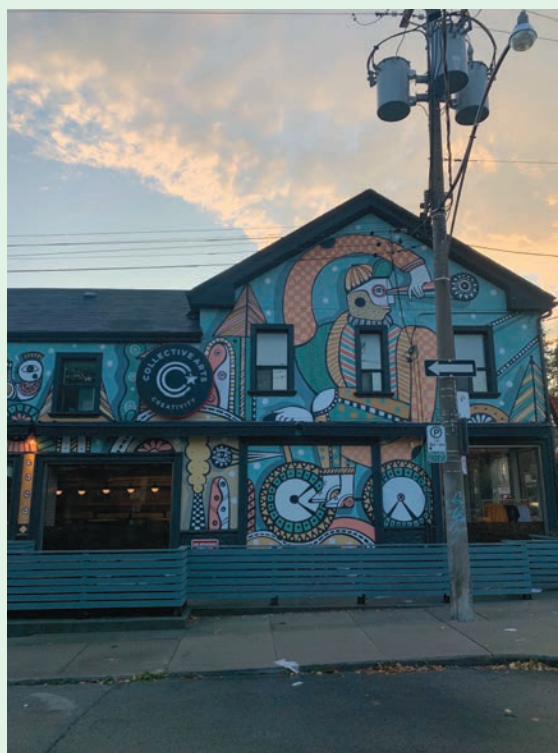
IMC Perspective 5-1 reviews the innovative IMC program from Collective Arts and how it is achieving all three types of objectives highlighted in this section.

IMC PERSPECTIVE 5-1

CREATIVITY AT COLLECTIVE ARTS BREWING^B

Established in 2013 and located in Hamilton, Ontario, Collective Arts Brewing launched its products into many geographic markets with distinctive marketing communications that achieved notable marketing, behavioural, and communication objectives. Its beer cans featured artists' creative works with unique images to distinctively position the company in the growing craft beer market. By 2020, Collective Arts supported over 2,000 artists from 40 countries by changing its packaging every few months and achieved recent annual sales growth of 29% with its national distribution and international expansion to 20 US states, 9 European countries, Australia, and China. Consumers scan their can with their phone to receive stories about the artist who designed the image or the musician featured in the design.

Events worked well for Collective Arts. For example, new product launches regularly feature a party, and the brand operates an annual Liquid Arts Festival that brings brewers, artists, musicians, and foodies together. Its geographic growth to Florida included a week-long event that featured art installations, live music, and tap takeovers, all designed to facilitate trial, awareness, and a positive association with the arts imagery. In Boston, the brand sponsored a tattoo convention, and Collective Arts designed cans displaying the tattoo artists' work. Outdoor murals on the brewer's facilities provide additional exposure of artists' efforts and creates a distinctive image for Collective Arts.



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In a cause-related direction, Collective Arts established Collective More, a charitable program to support paid work for artists. In 2020, the call for artists' work focused on a theme of social justice to be placed on cans for the fall refresh. The brand regularly communicates the artists' stories to reinforce the brand's unique position in social media. Collective Arts also features musicians by streaming its monthly concert series in social media.

Two new directions appear to be on the horizon for Collective Arts. The brand sought government approval to offer cannabis-infused beverages. And, according to the marketing personnel at Collective Arts, their marketing

communication approaches appear effective but may be limited in delivering a purposeful message. Consequently, the team looked at potentially adopting paid advertising in future plans.

QUESTION

1. What forms of paid advertising should Collective Arts consider, and what objectives would it help the brewing company achieve?

LO2 From Communication Response Models to Communication Objectives

Numerous methods exist to set communication objectives for advertising-related IMC programs and complete IMC plans. This section describes DAGMAR, which identified the planning requirement of setting advertising objectives based on the communication tasks that advertising is expected to achieve. The section then applies the DAGMAR method to the hierarchy of effects model and the information processing model of **Chapter 4** to understand how to set communication objectives.

DAGMAR

DAGMAR is the short form for Defining Advertising Goals for Measured Advertising Results. DAGMAR is the first advertising planning approach to conclude that communication effects are the logical basis for advertising goals and objectives against which success or failure is measured.⁷ An advertising goal involves a communication task that is specific, measurable, attainable, realistic, and within a time frame. A **communication task**, as opposed to a marketing task, is performed by and attributed to advertising decisions rather than marketing decisions. The communication task is based on a response model shown in **Chapter 4** that outlines specific communication effects. Finally, DAGMAR established the content of an accurate and relevant objective: specify a target audience, state measurable communication tasks, indicate a benchmark starting point, establish the degree of change sought, and identify a time period for accomplishing the objective(s).

Target Audience

A well-defined target audience is based on behavioural variables such as customer status (e.g., brand loyal users), usage rate, or benefits sought, as well as descriptive variables such as geography, demographics, socioeconomics, and psychographics (on which advertising media selection decisions are based). As noted in **Chapter 4**, communication effects are based on the intended receiver's interpretation of the message. Follow-up research of advertising's effects optimally occurs when the respondents are the same as the intended target audience. Thus, without a well-defined target audience, the accuracy of the post-campaign assessment is limited.

Measurable Tasks

The communication task specified in the objective is a precise statement of what message the advertiser communicates to the target audience. During the planning process, advertisers generally produce a document to describe their basic message that is specific and clear enough to guide the creative specialists who develop the advertising message. The objective has to be measurable to determine whether the intended message has been communicated properly. Other tasks beyond designing a message to influence attitudes are also required, as noted in **Chapter 4**.

Benchmark

To set objectives, the target audience's present level of response variables (e.g., awareness) is usually obtained from a marketing research study to establish **benchmark measures**. The measures provide a basis for determining what communication tasks are to be accomplished and for specifying particular objectives. If a preliminary review for a brand reveals that awareness is high but consumer attitudes are negative, then the objective for the advertising campaign is to change the target audience's

attitude toward the brand. In this situation, promotional planners will likely measure existing consumer attitudes with a survey to establish the benchmark. **Exhibit 5-5** shows an ad for Herbal Essences that is probably attempting to establish a positive attitude toward the brand's new Hydralicious formulation.

EXHIBIT 5-5 Herbal Essences shampoo colourfully informs consumers of its moisturizing feature.



©Herbal Essences, Procter & Gamble

Degree of Change Sought

Quantitative benchmarks for communications goals and objectives are essential for determining campaign success, as they provide the standard against which the success or failure of a campaign is measured. Advertising planners then determine the degree to which consumers' response is to be changed by the advertising campaign. For example, an ad campaign that projects a 60% awareness level for a brand among its target audience from a current 40% pre-campaign awareness level indicates a 20% improvement from the benchmark.

Specified Time Period

Advertising objectives specify the time period in which they are intended to be accomplished, ranging from a few days to a year or more. Most ad campaigns specify time periods from a few months to a year, depending on the situation facing the advertiser and the type of response being sought. For example, increased brand awareness levels through an intensive media schedule of widespread, repetitive advertising to the target audience are assessed within a few months. Altering consumers' brand attitude for most companies conceivably takes a year or longer in many product categories.

COMMUNICATION RESPONSE MODEL APPLICATIONS

In developing the response models (**Chapter 4**), their authors suggested how the models are adopted for setting communication objectives. An application of the hierarchy of effects model for setting objectives is summarized due to its wide use for understanding the communication effects response. An application of the information processing model for setting objectives is also reviewed because of its precision for understanding the processing response. Although the previous chapter identified limitations of these hierarchy response models, the models remain in practice and an application is warranted if planners prefer these over the recommended R&P model.

EXHIBIT 5-6 This cool Vans ad has liking as its communication objective.



Source: Vans, A VF Company

initial consumer awareness. Subsequent videos associated with different influencers directly claimed benefits of using the Amex credit card to build the target audience's knowledge. Those watching the second video to completion received messages designed to drive the receiver to actually sign up.⁸

Hierarchy of Effects Model

Figure 5-2 shows the response in the hierarchy of effects model in the left column, previously reviewed in **Chapter 4**. **Figure 5-2** also lists examples of proposed messages and types of IMC programs in the right column that could achieve each of the corresponding effects. Promotional planners select the right ones for their brand depending on factors uncovered in the situation analysis. Note that the options presented are applied examples, and another decision maker with an alternate view or conclusion from a situation analysis might recommend other choices. **Exhibit 5-6** shows a print ad with an imagery copy for the Vans shoe brand. This message is likely designed to enhance a strong liking for the brand, which is one key communication objective.

Figure 5-3 illustrates how managers use the hierarchy of effects model for IMC planning. It has hypothetical data showing the percentage of the target audience who are at each step of their communication response; 70% are aware of the brand and 10% purchased the brand, for example. Note that a tracking study collecting survey responses from consumers, proxies based on internal records of customer interactions, or research from a syndicated supplier is required instead of this hypothetical data. At each step the percentage declines, indicating that the communication effect did not take hold. For instance, 70% of the target audience have brand knowledge and 40% like the brand, but this means 30% did not like the brand. This identifies a target audience for an IMC activity, and the objective is to establish a liking for the brand for the 30% of the target audience did not achieve this effect.

An example by American Express shows how to handle this in practice. The brand placed a video message in social media associated with influencers who revealed their passion for travel to build

Figure 5-2 Application of the hierarchy of effects model

Response	Examples of Relevant Messages	Examples of Relevant IMC
Awareness	Copy to ensure consumers remember brand Brand identity imagery such as logo or jingle	Mass media and digital advertising Event marketing or sponsorship
Knowledge	Long copy to fully understand offering Demonstration copy	Brand's website Content community (e.g., YouTube)
Liking	Imagery copy Positive emotional appeals	Visually appealing media like video or print Blog, radio jingle
Preference	Comparative or argumentative copy Popularity appeal	Word-of-mouth communication Social networking brand page (e.g., Facebook)
Conviction	Closing copy Recapitulate all previous copy	Take-away brochure Specialized digital app
Purchase	Importance of buying now copy Value or minimize perceived risk copy	Point-of-purchase display Sales promotion incentive, loyalty program

Figure 5-3 Illustration of communication effects

Response	Communication Effect
Awareness	90%
Knowledge	70%
Liking	40%
Preference	25%
Conviction	20%
Purchase	10%

In summary, the promotional planner determines the communication effect step of the target audience and decides on the objective. If brand awareness and knowledge of its features and benefits are low, the communication objective is to increase them. If the brand awareness and knowledge levels are acceptable, but liking or preference is low, the advertising goal may be to change the target audience's image of the brand. As the hypothetical data indicates, the campaign could focus on "liking" since there is a substantial drop in the number of consumers at this level from the previous level. Also, the drop-off from conviction to purchase is cut in half, suggesting the marketing communication could focus on a specific behaviour change, likely increasing trial rate.

Information Processing Model

The information processing model of **Chapter 4** is an effective framework for setting objectives and evaluating the effects of a promotional campaign. As a processing model, it shares characteristics with the two other processing models described in **Chapter 4**. **Figure 5-4** shows most of the model's response presentation (i.e., exposure to media) to retention and the corresponding illustrative effects, like those shown above. The interpretation is that 90% of the potential audience received the message presentation, and only 70% actually paid attention to the message, meaning 20% did not even begin to process the message at all! Carrying on, a promotional planner concludes that only 10% are remembering the brand information when they actually go shopping. As an example of a communication objective, the promotional planner might focus on achieving greater persuasion from the message by trying to increase the yielding score of 30%.

Figure 5-4 Illustration of message processing

Response	Processing Effect
Presentation	90%
Attention	70%
Comprehension	50%
Yielding	30%
Retention	10%

As noted above, promotional planners rely on research to measure each step shown in **Figure 5-4** to assess the existing communication effects. This provides the advertiser with information regarding the effectiveness of past promotional messages guides the objective setting for future promotional messages that are designed to maximize the response process for any step. For example, D'Italiano bread's "Live Large" campaign included a YouTube desktop homepage takeover that featured a livestream of two Italian tenors who took requests from visitors. The exposure measures to assess effectiveness amounted to 23,000 hours of viewing, more than the brand's previous 11 years combined.⁹

Further coverage of promotional message research in **Chapter 9** provides direction for advertising and the idea is extended to measuring the effectiveness of individual IMC programs in their respective chapters later in the book. For example, investigating message yielding is an important criterion for all aspects of marketing communication in which general approaches are applied. However, each communication also requires specific investigation. The ad in **Exhibit 5-7** would have multiple measures

EXHIBIT 5-7 The imagery, copy, and brand information of this ad suggest a few avenues to assess its effectiveness.



©Fontaine Santé

of effectiveness, such as the number of website visits that occurred in the few weeks following exposure; consumer beliefs regarding attributes of Canadian-made, 100% natural, and non-GMO; and the taste benefit claimed.

Application Conclusion

EXHIBIT 5-8 This Expedia ad encourages travellers who are non-customers to consider visiting its Internet site.



©Raine Vara/Alamy Stock Photo

Decades of research revealed mixed results whether promotional planners applied a communication response model to set communication objectives. One study showed that most advertising agencies did not state appropriate objectives for determining advertising success.¹⁰ A later study found that most advertisers did not set concrete advertising objectives, specify objective tasks, measure results in terms of the hierarchy of effects, or match objectives to evaluation measures.¹¹ Finally, another later study measured the attitudes of executives, with the majority saying they did not know whether their advertising was working and fewer than 10% saying they thought it was working well.¹²

Clearly, the evidence suggests that an alternative perspective with a stronger managerial point of view is warranted for enhanced adoption. The Rossiter and Percy (R&P) perspective is a worthy candidate to guide promotional planners when setting behavioural and communication objectives.¹³ **Chapter 3** introduced their ideas when discussing the guidelines for target audience identification, selection, and profiling, and **Chapter 4** expanded their view when summarizing communication response models. Overall, the R&P perspective is a preferred direction since it resolves the limitations of other approaches for objective setting and provides guidelines for creative tactics (i.e., **Chapter 8**).

The R&P perspective has three distinguishing characteristics. First, it provides guidelines for specific behavioural objectives. The other models say something general, like *purchase* or *behaviour*, but promotional planners need to consider *particular kinds* of behaviour and purchases to make a connection to the marketing objectives. Second, it is consistent with the DAGMAR model by making a direct connection between the purchase decision and the communication task required for each target audience. Third, it provides guidelines for communication objectives that are more useful for a manager and the objectives do not

rely on a set hierarchy of effects. For example, the Expedia ad in **Exhibit 5-8** targets travellers who are likely at the need recognition stage of their decision making. The ad encourages the target audience to visit the Internet site, thus suggesting a trial purchase of consumers who have not booked travel online or who book with other Internet travel booking sites.

LO3 Setting Behavioural Objectives for IMC

Advertising and promotion influences a particular behaviour based on the message content. For example, an email message reminds a customer who has agreed to be on a fashion store's distribution list to see and buy its new seasonal offering. Or a brand delivers a sales promotion to consumers to buy a new product. In these two cases the buying behaviour is unique and specific: repeat purchase or trial purchase. Thus, a clear behavioural objective for each target audience is identified within an IMC plan to guide the promotional decision. From a strategic standpoint, the link between marketing objectives (i.e., sales) and communication objectives (i.e., attitude toward the brand) is behavioural objectives, since the buying behaviour of each customer sums to a firm's overall sales. A firm wishing to increase sales tries to increase repeat purchases from current customers and trial purchases from non-customers. This leads to four options for setting behavioural objectives that are reviewed in this section: trial purchase, repeat purchase, shopping, and repeat consumption, since each of these behaviours contribute to sales differently.

TRIAL PURCHASE OBJECTIVES

A trial purchase occurs when a consumer buys a brand not previously bought. A trial purchase objective is relevant for non-customer groups such as new category users, other brand switchers, and other brand loyalists. A trial purchase objective pertaining to the target audience of a promotional planner's brand is contingent upon time, competition, and product category. The section reviews four trial objectives—brand trial, brand re-trial, category trial, and brand switching—that accounts for these three variables.

Brand Trial

A **brand trial purchase** is defined as a consumer's first purchase of a brand. For example, the trial purchase for brands of most everyday products (e.g., soft drinks or snack foods) occurred years ago for most consumers, and it is probably difficult to remember one's first soft drink purchase or the specific brand. However, producers of everyday products like soft drinks continue to have a **brand trial objective** as consumers enter the market when they attain a certain age or have income (i.e., allowance from parents). Generalizing this point, brand managers within all established product categories consider when a substantially large enough group of consumers may enter their market and the manager makes a brand trial objective a priority in the IMC plan. And while brand trial purchases are important for most firms throughout the year to generate sales, they are not necessarily the primary behavioural objective for all campaigns. Naturally, a brand trial objective is paramount for a product launch as there are no consumers buying yet, but a brand trial objective may also be necessary for brand extensions. The message in the Smart car ad in **Exhibit 5-9** suggests that brand trial is a primary objective since it highlights that the electric car does not burn gas. It reassures drivers of gasoline-powered cars that the Smart car is not deficient on speed for city driving.

EXHIBIT 5-9 Smart strives for a consumer trial purchase of its electric car.



©Mercedes-Benz Canada

Juicy Fruit gum introduced Juicy the Goat as the real GOAT—greatest of all time! Goats often chew, so goat imagery presented a constant reminder of gum chewing, a consumption habit in decline, especially with younger consumers. Juicy Fruit's partnership with the NBA and the Toronto Raptors helped the brand reach younger consumers who were encouraged to make trial purchases and thus become new category and brand users. Younger consumers seemingly lived in social media, so the message became @Juicy_thegoat to spark a new debate on who is the greatest of all time—the real GOAT. NBA fans thrived on competitive online behaviour with fun conversations around the best basketball players. Juicy entered the fray with a signature chewing action and became a social media personality with intercepted comments in Twitter and Instagram, cute memes like #goativational, and fun trash talk commonly experienced by players on the court and fans online. Juicy Fruit worked with influencers to keep the momentum going digitally. Toward the end of the Raptors' playoff season, the chewing sensation became the star of a TV ad. Juicy slam dunked the gum brand into the basketball crowd with significant online chatter, resulting in a 16% sales increase.¹⁴

Brand Re-trial

Alternatively, it is quite unlikely that consumers will continue to purchase the same brand of soft drink as their first trial purchase. In fact, people consume more than one brand of soft drink, and for whatever reason stop purchasing their initial brand. Brand managers are faced with this dilemma of trying to recapture past customers who have not purchased the brand for a period of time (e.g., perhaps a year). The manager of such a brand would like these past customers to have a new trial experience of the brand. Thus, a **brand re-trial purchase** is defined as a consumer's first purchase of a brand after a time delay. The length of the delay to focus on when setting a **brand re-trial objective** is a decision the promotion manager makes. It depends upon the purchase frequency of the product, among other factors observed from the situation analysis. Brands like Coca-Cola constantly have a brand re-trial objective. The ad in **Exhibit 5-10** shows the promotion that featured people's names on the cans, which likely enticed lapsed consumers who saw their name.

EXHIBIT 5-10 Coca-Cola desires brand re-trial from lapsed users who gravitated to other soft drinks for a while.



Source: The Coca-Cola Company

Montreal celebrated its 375th birthday as Canada rejoiced over its 150th birthday in 2017. After a busy year of visitors, Tourisme Montréal sent "I've changed" messages to Quebec City residents. This market appeared attractive to reintroduce the city to visitors from the province's capital since it is an easy drive that many would be receptive to taking in the winter of 2018. A direct-mail piece sent to 100,000 households read like a letter to a former lover aimed at winning them back with references to Montreal attractions. The message picked up on the friendly rivalry between the cities. Billboards, TV, newspaper, and radio ads as well as press kits to journalists fostered publicity and got Quebec City residents talking. The campaign obtained a 34% increase in website visits and 138 news stories while also improving hotel bookings.¹⁵

Category Trial

EXHIBIT 5-11 Head & Shoulders wants non-dandruff shampoo users to consider using the product.



©The Advertising Archives/Alamy Stock Photo

Now let's put the trial purchase in another perspective: consider the purchase of a smartphone, which most young adults currently own. The smartphone is a different kind of product and likely a somewhat involved purchase for most consumers. Despite this, phone companies and service providers had trial objectives as they attempted to attract consumers who did not own such technology. While this is a brand trial purchase, it is also something broader. A **category trial purchase** is defined as a consumer's first purchase in a product category that the consumer has not previously purchased. Marketers of new products, such as the smartphone, have a dual challenge of attaining both a **category trial purchase objective** and brand trial objective. Of course, with significant smartphone adoption levels, a category trial objective is less relevant for marketers, but remains so with market segments with less adoption, such as older consumers perhaps.

Category trial is a necessary behavioural objective in situations beyond new products and arises in three instances with mature product categories. For example, the ad in **Exhibit 5-11** attracts users of non-dandruff shampoo to try Head & Shoulders, a leading brand of dandruff shampoo. Note that the context of the product category is not shampoo but a subcategory with a distinctive characteristic from regular shampoo, so the category trial is for dandruff shampoo. Market research and managerial insight determines whether a broad product category breaks into a few subcategories to fully identify the category trial objective.

Changes in one's life illustrates a second instance requiring a category trial objective for brands in mature product categories. For example, those who are raising children

experience new purchases for a whole host of product categories such as children's toys, furniture (e.g., crib, high chair), and equipment (e.g., baby monitor).

A third and final instance requiring a category trial objective occurs in marketing contexts when a brand targets lapsed users of a mature product category. Some food marketers sway consumers back to consuming a product they stopped eating for a period of time. Younger adults may gravitate away from eating breakfast products after leaving their parents home and are lapsed category users for cereal. In another direction, older adults may seek to reclaim better health by joining a fitness club after not participating for awhile due to career dedication. As these examples indicate there is a close association of a category need trial objective and the need recognition consumers experience during their decision-making process, as described in **Chapter 3**.

Brand Switching

EXHIBIT 5-12 Dr. Oetker tries to switch over consumers of other frozen pizza brands with a visual communicating the brand's quality.



Dr. Oetker Canada Ltd.

A **brand-switching purchase** is defined as a consumer's brand purchase from a competing brand that may manifest as a brand re-trial or brand trial purchase. A brand-switching purchase occurs whereby the consumer makes a *re-trial* purchase of a brand and leaves the new favourite and returns to an old favourite. A brand-switching purchase also occurs when the consumer makes a *trial* purchase of a brand from a competing brand. Thus, a brand trial or brand re-trial objective is more specifically a **brand-switching purchase objective** in certain planning situations. The Dr. Oetker ad in **Exhibit 5-12** is directed to consumers of other frozen pizza brands to consider a better-quality alternative. The image communicates authentic pizzeria preparation in which a consumer would infer improved taste or flavour.

REPEAT PURCHASE OBJECTIVES

A **repeat purchase** is defined as a consumer's continued purchase of a brand within a specified time period. The time factor for a **repeat purchase objective** is at the discretion of the marketer, and it is contingent upon purchase frequency of the product or other factors derived from the situation analysis. A repeat purchase objective is particularly important for customer retention. Repeat purchase objectives are set for loyal customers and those that switch between a brand and its competitors. A repeat purchase objective pertaining to the target audience of a promotional planner's brand is contingent upon frequency (how often to purchase), amount (how much to purchase), and timing (when to purchase).

Purchase Frequency

The first alternative concerns the frequency of buying, or how often to purchase the brand. This implies that a marketer may set an objective pertaining to consumers purchasing its brand every week instead of every two weeks. This example shows an option where a manager may want to *increase* the frequency of purchase from a half product per week to one product per week. A second managerial option is to *maintain* the frequency of purchase. While this is a more conservative objective, it is still a viable option in competitive environments. Finally, a manager may want to *decrease* the frequency of purchase. This option may be viable in unique situations of high demand or with products that have potentially negative consequences (i.e., alcohol).

Cineplex's loyalty program—the Scene Card—lets enrolled members obtain points for movie ticket purchases that are redeemed for movies or snacks. This program provides managers with an extensive database allowing them to target messages to guide repeat patronage. For example, it can email members with reminders to see an upcoming movie to achieve a purchase frequency objective.

Purchase Amount

The amount or how much to purchase on each occasion is the second alternative. As this alternative implies, a marketer may set an objective where consumers purchase two products per occasion versus one per occasion. As above, this option is to *increase* the amount per occasion, but a marketer could still evaluate whether to *maintain* or *decrease* the amount per occasion. The McDonald's ad in **Exhibit 5-13** encourages consumers to purchase multiple food products throughout the day. The extension makes the billboard act as a sundial showing when a consumer could consume each food type.

Brands also have a repeat purchase objective for customers who habitually consume multiple brands continually (i.e., favourable brand switchers). For instance, across 15 purchases a consumer might buy five from three brands evenly. While this consumer does not purchase a manager's brand for every single occasion, the consumer is a consistent contributor to the firm's sales and a marketer would want to promote appropriately to ensure future repeat purchases. In this case, the brand's manager might offer a sales promotion to encourage a greater amount bought such that the total purchases would grow from 5 of 15 to perhaps 7 of 15.

EXHIBIT 5-13 McDonald's reminds consumers to purchase multiple food products.



©McGraw-Hill Education/Christopher Kerrigan

Purchase Timing

The final alternative is the timing, or when to purchase. Certain products are seasonal, have a peak in their sales, or are easily stored. Marketers may have a behavioural objective to influence when consumers will make the purchase. For example, Wendy's restaurant advertises on television in the evening and communicates the fact that its drive-through service stays open late, thus prompting consumers to purchase at a certain time of day. Consistent with the other two alternatives, there are three options: *maintain*, *accelerate*, and *delay*.

As another example, retailers attempt to influence all three repeat purchase behaviours while consumers are shopping. Best Buy has an in-store app that provides deeper and richer information than what is found online that consumers obtain prior to the shopping stage. Indigo recommends books to its Plum Rewards members via email and online ads customized for communication when a membership card is swiped at the in-store kiosk. Digital in-store media networks offer specific and detailed video messages when consumers are browsing a product category, much more involved than what is found on 30-second television ads.

SHOPPING OBJECTIVES

Communication is designed to encourage a consumer to progress through the decision-making process more smoothly. For example, most people find it imperative to visit a car dealership prior to buying a car. The objective of some parts of an IMC plan is to influence consumers to take action that will lead them one step closer to the final destination of a purchase. **Shopping behaviour** is action consumers take that will lead to a higher probability of purchasing the brand. This is consistent with ad designs that conclude with a call to action. Many types of shopping behaviour exist, and for planning purposes they are organized into two broad groups. **Brand information shopping objective** (e.g., visiting a website, reading product reviews)

reflects the specific information search behaviours the advertiser encourages the target audience to take during their decision-making process. **Brand experience shopping objective** (e.g., participating in an event, watching a demonstration, consuming a sample) reflect the particular experiential behaviours the advertiser invites the target audience to take, likely before or after (e.g., pre-purchase, post-purchase) their decision-making process.

EXHIBIT 5-14 White Oaks directs consumers to its website and provides a phone number.



©White Oaks Resort & Spa, photographer: Jason Dwyer

EXHIBIT 5-15 California almonds are associated with a situational use to increase repeat consumption.



©Almond Board of California/Mark Katzman, photographer/Andrew Becker, director

Digital equivalents are prominent as brands encourage website visits, interaction with other customers on Facebook, participation in Twitter, and viewing or posting of video or pictures in content communities. Accordingly, marketers can have many shopping behaviour objectives to know whether enough of the target audience is involved with the brand during the decision-making process. Firms can track the number of sales inquiries, requests for samples, or demonstrations to gauge how well the campaign is performing for the objective. They also can track the digital exposure and participation levels as all the interaction is electronically recorded. The ad in **Exhibit 5-14** directs readers to phone or visit the website for White Oaks Resort and Spa.

Another aspect of shopping behaviour is that consumers seek out the opinion of their friends and family, as discussed in the word-of-mouth topic section in **Chapter 4**. Thus, brands look to achieve specific word-of-mouth objectives as part of their plans, which guides the use of experiential marketing communication or more innovative and exciting digital activities.

REPEAT CONSUMPTION OBJECTIVES

Somewhat related to repeat purchase is repeat consumption as a behavioural objective. **Repeat consumption** is defined as the continued consumption of the brand once purchased. Marketers may have a **repeat consumption objective** when communicating with their current customers who have previously purchased the brand and have the product at their home or work. This communication has an objective of modifying how often to consume the brand, how much to consume on each occasion, and when to consume. The California almonds ad in **Exhibit 5-15** reinforces continued consumption by showing that the product can provide sustained energy through any activity.

To give an idea of a repeat consumption objective in action, consider two scenarios. Often, food and drink products advertise through certain television commercials showing consumption visuals that may prompt consumers to snack or have another beverage. For example, dairy industry messages remind consumers to drink milk since it is in people's homes on a regular basis. Also, research suggests that, for these kinds of product categories that have a well-established market leader, a consumption intention is a better predictor of advertising success since goods are already in stock and a repeat purchase will not occur until the inventory is depleted.¹⁶ Another approach is to show consumers how to enjoy the product for other uses or in new or alternative situations.

LO4 Setting Communication Objectives for IMC

This chapter showed how communication response models guide the selection of communication objectives, and the R&P approach also translates communication effects into options for managers to set four communication objectives used for IMC planning. The options are applicable for one target audience or multiple target audiences and for the three types of decisions: (1) a specific communication like one print ad or television commercial, (2) a specific campaign like advertising or sponsorship, and (3) a complete IMC program that includes all promotional programs. These communication objectives retain the characteristics set forth earlier for good objective setting (i.e., a specific bench-

mark with the degree of change sought for a communication task within a specified time period regarding a target audience). Finally, the R&P framework is flexible enough to apply all communication objectives to each stage of the buyer decision-making process for any target audience.

CATEGORY NEED

Category need pertains to whether the target audience believes that purchasing within a specific product category will fulfill their particular consumer need. This is an optional communication objective, and the promotional planner omits it from the plan if it is not necessary for persuading the target audience. Smartphones are a product for which consumers are users or non-users, and phone brands built demand over time by convincing non-users of the benefits of owning a smartphone versus not owning one. This type of message likely differed from the message used to convince a current smartphone user to switch to their brand with improved features. As an example of an ad with a category need objective, notice how the imagery of **Exhibit 5-16** communicates a situation in which the Apple watch would be useful for consumers who had not considered a smart watch for active recreation previously.

Another type of category need occurs with substitute products, as seen with transportation, for example. When thinking about buying a “car” upon graduation, a student’s choice may in fact be a truck or a sport utility vehicle (SUV). In a broad sense, all vehicles are used for transportation, but consumers have particular needs that are ideally satisfied with a specific category of vehicle. For example, a marketer for an SUV brand could communicate a message so that a target audience will feel the need for an SUV more strongly than the need for a sporty sub-compact, which might be the initial product category that young consumers would gravitate toward. In this case, it is a question of which specific yet related category fulfills the target audience’s need more completely.

EXHIBIT 5-16 The Apple smart watch is shown in a novel usage situation to suggest category need.



©Istvan Balogh/Shutterstock

Remind Category Need

One obvious example of this is reminder advertising, where the brand is featured in the message and the need for the product is implicitly communicated or clearly illustrated. The reminder option of category need is the focus of campaigns for lapsed users. For example, associations that represent the dairy industry remind Canadians to consume milk and milk products like cheese. Ads typically use imagery of consumption like the photo in **Exhibit 5-17**.

EXHIBIT 5-17 Cheese ads remind consumers to purchase by highlighting the textures and taste.



©baibaz/Shutterstock

Emphasize Category Need

The smartphone and vehicle examples show situations where the IMC plan objective is to actively persuade the target audience to believe that a specific product category fulfills their particular consumer need. Emphasizing a category need objective is usually imperative with competing technologies and substitute products. However, market conditions discovered in a situation analysis can sway an established brand toward emphasizing category need in existing markets. With a trend toward healthier eating and drinking being seen, especially among young consumers, Coca-Cola faced declining sales for its pop products. One factor is young people not entering the pop category at all or consuming other beverages along with significant levels of water. Thus, emphasizing category need may be an important step in the famous brand’s future, which may explain the inspiration for the “Share a Coke” campaign where loyal drinkers took the message to heart and gave a personalized can to a non-pop drinker who loved seeing their name in the famous Coke font.

BRAND AWARENESS

Brand awareness is the target audience's ability to recognize and/or recall the brand within a specific product category in sufficient detail to make a purchase. Brand awareness is a universal communication objective, which means that every point of communication contributes to the target audience's understanding and knowledge of the brand, such that the target audience knows the specific product category that the brand competes in when in a position to make a purchase.

There are two types of brand awareness: brand recognition and brand recall. If both are required for the target audience to make a purchase, then a manager plans for two awareness objectives. In setting the *brand awareness* objective, managers measure the existing levels of *advertising awareness* for customers and non-customers as the level is typically higher for the former.¹⁷ Further, brand awareness through recall is typically stronger for customers versus non-customers, suggesting that brand awareness is a significant communication task to achieve for non-customers.¹⁸

Brand Recognition

EXHIBIT 5-18 Brand recognition for Corby's product is enhanced in this creative ad.



Hand-out/Corby Spirit and Wine Communications/Newscom

Recognition of the brand at the point of purchase based on past messages is sufficient for brand consideration or purchase. The Corby ad in **Exhibit 5-18** shows an example where the brand name and logo is prominent, which likely heightens the brand recognition effect. Boldly displaying awards the spirits have won assists consumers in remembering the high quality of the product.

Brand Recall

If the target audience feels the need for a product but needs to remember what brands to consider away from the point of purchase, then recall becomes the focus of the campaign. Brand recall is referred to as unaided brand awareness when measuring. McCain's "It's All Good" campaign increased recall of its brand for its Superfries (from 6% to 45%) and pizza (from 6% to 37%).¹⁹

In defining brand awareness, it is distinguished from advertising awareness, which concerns itself with whether consumers are aware of a brand's television or print ads. While there is a logical connection between the two, they are not identical. For example, Activia established strong effects compared to industry norms with its "Vitality" message for unaided advertising recall (50% versus 18%) and aided advertising recall (60% versus 48%) levels.²⁰

EXHIBIT 5-19 Schick establishes a clear brand attitude objective for non-users of shaving products.



CB2/ZOB/Supplied by WENN.com/Newscom

BRAND ATTITUDE

Brand attitude is another universal communication objective. Like brand awareness, every aspect of a firm's IMC program or any particular element, such as a television commercial, contributes to the overall evaluation of the brand from the perspective of the target audience. A logical conclusion to this point is that there is no such thing as an "awareness campaign," as every campaign potentially influences brand awareness and an aspect of brand attitude. Since brand attitude is such an important communication objective, prior understanding of the existing brand attitude is a critical guide for each brand attitude objective option.

Establish Brand Attitude

A new target audience that has no or minimal awareness and therefore no prior attitude toward the brand generally requires extensive communication so that an attitude is created. The ad in **Exhibit 5-19** establishes a favourable brand attitude with a funny image of one who has not shaved for quite a while. Presumably consumers with such a beard have not purchased a razor recently. And this target audience has minimal communication effects associated with Schick. Thus, the brand sees an opportunity to establish a strong brand attitude with a message to persuade the non-shaver to consider removing the furry animal!

Maintain Brand Attitude

Advertising is performed so that existing attitude levels will remain constant in order to ensure future sales. Stopping communication is one reason for declining sales that has been seen in examples over time. In contrast, major advertisers (e.g., Coca-Cola) consistently follow this approach to maintain sales. The Hyundai ad in **Exhibit 5-20** reinforces the existing positive attitude its customers would have regarding the quality of its vehicles.

EXHIBIT 5-20 Hyundai reminds consumers that its customers are satisfied with vehicle quality.



Source: Hyundai Motor America

Increase Brand Attitude

Target audiences who are familiar with the brand and moderately favourable toward the brand can be influenced. For example, a promotional manager can increase the brand attitude of their target audience by influencing them to believe that the brand delivers better performance on a particular attribute or benefit. The majority of the consumers who see the Chatime in-store ad are consumers of the brand, and the ad in **Exhibit 5-21** potentially increases their existing favourable attitude by seeing new options to satisfy their variety seeking behaviour with a new taste sensation. The colourful surrounding imagery reinforces the existing belief that the brand offers refreshing beverages.

EXHIBIT 5-21 Chatime establishes the belief that it offers a wider variety of flavours.



©Chatime/CO-OP

Modify Brand Attitude

Similar to the previous option, if the target audience is moderately favourable, a promotional planner still seeks to improve their brand attitude. However, a modification of the brand attitude is attempted if no increase is possible. In this option, marketers use a different point of reference in communicating the benefits. Typically, marketers focus on a new consumer motive for purchasing the brand that the target audience will be receptive toward. Its future marketing communication could likely target users of other premium brands for them to switch, or target non-premium brand users to “trade up.” In either case, innovative communication will be required to modify existing attitudes. The Coors Light ad in **Exhibit 5-22** attempts to influence attitudes in a new direction beyond its taste while retaining its historic mountain imagery.

EXHIBIT 5-22 Coors Light offers a new reason to enjoy its beer.

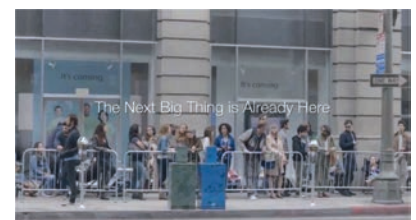


Source: 72andSunny and MillerCoors

Change Brand Attitude

Negative or weak positive attitudes toward a brand are difficult to influence, but particular communication situations create the challenge of changing the brand attitude for a target audience. **Exhibit 5-23** highlights a message Samsung directed to those considering or shopping for an iPhone. Presumably, their attitude to Samsung was not strong, so the brand proposed a compelling reason of not lining up to buy an iPhone. With a more positive belief toward the Samsung brand compared to the iPhone, perhaps consumers might be motivated to alter their behaviour.

EXHIBIT 5-23 Samsung's comparative ad tried to sway attitudes.



Source: Samsung

BRAND PURCHASE INTENTION

Brand purchase intention is an optional objective. At times, the promotional planner completely omits this as an objective for marketing communication since the route to purchase is quite clear and obvious for the consumer. Otherwise, the objective is to remind brand purchase intention or emphasize brand purchase intention.

Remind Brand Purchase Intention

In situations (i.e., low involvement) where the strength of purchase intention is consistent (i.e., highly correlated) with brand attitude, a marketer goes in the direction of reminding the target audience to make a plan to buy.

Emphasize Brand Purchase Intention

In contrast, managers require the target audience to have a plan to purchase a brand in situations of high involvement and emphasize brand purchase intention as an objective.

IMC Perspective 5-2 shows how a mature product category brand like grocery retailing still requires promotional planners to build communication objectives such as brand awareness and establishing brand attitude for online shopping.

IMC PERSPECTIVE 5-2

SOBEYS: CANADA'S FAMILY STORE^c

Sobeys, Safeway, FreshCo, and Thrifty Foods are all grocery banners across Canada under one corporation that recently initiated a clear and distinct positioning for each brand to differentiate it against competitors with a unique strategy. Afterwards, the corporation focused on e-commerce, expanded its private label products, and invested in database management for more personalized communications. For e-commerce, Sobeys established Voilà with a value proposition based on fresh products, affordable prices, reliability, and convenient delivery. The service featured robotic retrieval of items from a central fulfillment centre that proved beneficial to consumers in 2020. And the colourful trucks “popped out” noticeably to build consumer awareness. In 2021, Sobeys augmented Voilà to offer consumers food and meal kits by partnering with an upscale hospitality brand that competes in restaurant and catering markets.



Torontonian / Alamy Stock Photo

Within the grocery store portfolio, Sobeys became “Canada’s Family Store,” and this approach provided inspiration for its holiday campaign in late 2020. A

30-second video ad showed a family shopping and then bringing the groceries to another family. The ad concludes with an implied message encouraging Canadians to donate to other families in need. Social media promotions encouraged acts of kindness for a chance to win gift cards. Digital apps permitted donations to community food centres. Holiday flyers, display and video ads in social media, and digital channels provided greater exposure and ensured stronger awareness and positive feelings toward Sobeys. More personalized communication occurred through a promotional website and Sobeys email system.

In-store farming of herbs, microgreens, and leafy greens is one initiative that signalled Sobeys’ commitment to fresh foods, with an additional consumer benefit of environmentally sustainable food delivery. The offering provided added consumer excitement as the presentation and reveal of the growing greens gave Sobeys an opportunity to create a mini in-store event with key messaging on its signage.

Sobeys “Feed the Dream” campaign maintained its family theme and private label product emphasis with a partnership with the Canadian Olympic Committee (COC). A multimedia campaign (i.e., TV, online video, out-of-home, social, digital) provided extensive exposure to boost awareness and a positive vibe for the brand with Sobeys associating with athletes like Andre De Grasse. Sobeys placed COC branding on its private label products and reached consumers with other touchpoints, like end-of-aisle displays.

QUESTION

1. What new direction could Sobeys take with its marketing communications to continue its positive momentum?

LO5 IMC Planning: Objectives for Buyer Decision Stages

Chapter 3 presented a model of consumer decision making that showed the stages typically experienced when making a purchase. The model outlined a few key ones: need recognition, information search, alternative evaluation, purchase decision, and post-purchase evaluation. One important task of marketing communication is to guide the target audience through these stages. Marketers require specific communication programs and messages that resonate with each target audience as they proceed through these stages. **Figure 5-5** illustrates a planning approach for managers to assess the decision-making process of each target audience and to identify relevant communication objectives, message options, and IMC program options for each stage.

Figure 5-5 Assessing the consumer decision-making process

Analysis and Conclusions	Need Recognition	Information Search	Alternative Evaluation	Purchase Decision	Post-Purchase Evaluation
Who? (roles)					
Where? (location)					
When? (time, timing)					
How? (shopping behaviour)					
What? (benefits)					
Why? (motivator)					
Behavioural objectives					
Communication objectives					
Message options					
IMC program options					

The analysis occurs in the first six rows, where the marketer includes the target audience information and makes a conclusion on the key communication objectives that need to be attained so that the target audience will continue to the next stage. The first question (Who?) looks at the key participants and their roles in the decision, previously highlighted in **Chapter 3**. The next three questions are descriptors of where, when, and how the shopping behaviour will occur. This is based on market research, managerial experience, flashes of inspiration, and assumptions. Promotional planners are very concerned with the final two points—what are consumers shopping for, and why?

The most relevant behavioural objectives are identified after summarizing these questions. For example, the promotional planner wants to encourage consumer phone inquiries at the information-search stage, or desires consumer Internet visits to compare brands at the alternative-evaluation stage. Next, the most relevant communication objectives are set to ensure that the consumer continues through all stages. For example, what aspect of brand attitude needs to be addressed at the need-recognition stage versus the alternative-evaluation stage? Is recall an awareness objective at the need-recognition stage, and recognition an awareness objective at the purchase-decision stage?

Once this assessment has been done, then the marketer outline preliminary options concerning the types of messages and communication tools that would be most useful. Returning to the first question above, a marketer may decide to have a fun television commercial (e.g., communication tool option) that emphasizes the emotional attachment (e.g., brand attitude) to the product. It should be noted that, when identifying options, the marketer has not fully committed or recommended that this is exactly the plan, but rather has indicated a direction for making the final decision in this analysis template.

The rest of this book focuses on how to make IMC plan decisions that are based on the target audience, behaviour objectives, and communication objectives established at the start of the plan. **Chapters 6 to 9** focus on the message, while **Chapters 10 to 18** focus on the communication tools. As noted at the start of this chapter, the contents of this framework become the criteria for making all promotional decisions and measuring their results. While all firms may not be able to afford comprehensive studies to assess communication effects, they would benefit from the use of the framework because it provides disciplined thinking before investing in promotion.

Learning Objectives Summary

LO1 Distinguish among marketing, behavioural, and communication objectives and identify the value of setting each type of objective.

Objectives guide promotional program development and provide a benchmark against which performance can be measured and evaluated. Objectives serve a communication function for all participants in the planning process and direct all IMC program decision making. Objectives for IMC evolve from the organization's overall marketing plan and are based on the purpose of each promotional mix element within the marketing program. Managers use sales or a related measure such as market share as the basis for setting marketing objectives. Promotional planners believe that the communication role of promotional mix elements is not directly connected with sales-based objectives. They use communication-based objectives like those in the response hierarchy as the basis for setting goals. These models suggest the importance of setting specific behavioural objectives (such as trial or repeat purchase) and appropriate communication objectives to direct the IMC strategy so that it contributes to the attainment of marketing objectives.

LO2 Describe the historical approaches for setting communication objectives for advertising.

Historically, in setting objectives, traditional advertising-based views of marketing communication were emphasized. This originated from an application of response models like DAGMAR and the hierarchy of effects. DAGMAR established the principle that objectives should: specify a target audience; state measurable communication tasks; indicate a benchmark starting point; establish the degree of change sought; and specify a time period for accomplishing the objectives. As an extension of this idea, the principles of the hierarchy of effects model, used in setting advertising objectives, could be applied to other elements in the promotional mix. The hierarchy of effects model suggested that unique promotional tools could be implemented in different stages of the response hierarchy. Managers would determine the location of a particular audience in the hierarchy and make appropriate decisions to move them closer to a trial and repeat purchase.

Adoption of communication models was limited, resulting in the need for a comprehensive managerial framework for setting behavioural and communication objectives for many IMC planning purposes, IMC plans, individual IMC tools (i.e., advertising), and specific elements (i.e., direct mail offer with coupon). Both types of objectives need to be established for any individual communication element, ranging from an activity at a sponsorship event to what is portrayed in a point-of-sale display. In short, all target audience contact points play a role in fulfilling IMC plan objectives and their expenditures can be accountable through achievement of their mandate. A complete plan requires direction through behavioural and communication objectives so that all tools and elements communicate accurately.

LO3 Evaluate the options for setting behavioural objectives and apply them when constructing a promotional plan.

The comprehensive managerial framework identified options for behavioural objectives to guide the achievement of marketing objectives and to direct the formation of communication objectives. Behavioural objectives included brand trial, brand re-trial, brand switching, category trial, repeat purchase, shopping behaviour, and repeat consumption. Analysis of the target audience's decision-making process assists promotional planners in determining what to focus on in their IMC plan for each IMC tool.

LO4 Choose among the options for setting communication objectives and apply them when designing IMC recommendations.

The comprehensive managerial framework also presented many options for setting communication objectives in terms of category need (i.e., omit, remind, emphasize), brand awareness (i.e., recognition and/or recall), brand attitude (i.e., establish, maintain, increase, modify, change), brand purchase intention (assume, generate), and brand purchase facilitation (omit, include). Similar to behavioural objectives, specific communication objectives can be attained for individual IMC tools so that the overall plan achieves each communication objective for a particular target audience. The end result enables managers to construct a multitude of IMC plans.

LO5

Assemble the best combination of behavioural and communication objectives for each stage of the consumer decision-making process.

The comprehensive managerial framework was then linked to the buyer decision-making model to show the connection between a consumer's behaviour and a particular brand's objectives. This application implies that, as a consumer's decision making progresses, managers can consider how objectives evolve at each stage in order to adjust the message, media, or IMC tool employed to communicate.

Review Questions

1. Discuss the value of setting objectives for the integrated marketing communications program. What important functions do objectives serve?
2. What are the strengths and weaknesses of using traditional hierarchy models for setting communication objectives?
3. Some claim that promotion is all about communication, so we should focus only on communication objectives and not worry about behavioural objectives. Convince them otherwise.
4. If a firm cannot afford large market research studies to quantitatively assess whether communication objectives have been achieved, why should the firm bother setting communication objectives?
5. A firm is running a campaign with advertising, sales promotion, and public relations. Why might it have different communication objectives for each IMC tool?

Applied Questions

1. In meeting with a client for an energy drink, you are informed that the only goal of advertising and promotion is to generate sales. As an account planner for a marketing communication agency, present reasons why communication objectives must also be considered.
2. Assess what the behavioural objectives would be for each ad in this chapter.
3. Assess what the communication objectives would be for each ad in this chapter.
4. After assessing the objectives for some of the ads of this chapter, check out the brand's Internet site or social media offerings and determine if the objectives are the same or different.

CHAPTER SIX

Brand Positioning Strategy Decisions



Reese's Canada

LEARNING OBJECTIVES

- LO1** Identify the concepts of market positioning strategy, market position, brand positioning strategy, and brand position.
- LO2** Illustrate how to formulate the brand positioning strategy decision.
- LO3** Demonstrate brand repositioning strategy opportunities.
- LO4** Interpret brand positioning strategy decisions in other contexts.

Positioning Chocolate Bar Brands^A

Chocolate bar brands continually revise their advertising and promotion to maintain or alter their brand positioning strategy. The product category exists within the broader chocolate confectionary market and consists of product formats such as break-off pieces, solid bars, and shapes. Hershey and Cadbury recently implemented promotional programs to augment the brand position of key brands in a very crowded competitive space.

Hershey's Cookies 'N' Creme's established a user positioning with an association with artists who creatively collaborated with the unique product; a rapper freestyles with the Hershey letters and an artist applies wrappers and paint to their skateboard. The "Unwrap the Sweetest Collab" campaign reflected research that indicated consumers enjoyed eating the product while actively pursuing their artistic hobbies. Hershey saw an opportunity to position Cookies 'N' Creme to those with creative passions such as artists, photographers, videographers, musicians, and stylists who like to express themselves with their endeavours. Three types of in-store displays in multiple outlet locations supported the social media delivery.

Another Hershey brand, Reese's Peanut Butter Cup, established a user positioning by showing the residual of chocolate on the circular shaped wrapper. The message "Clean or Sticky: How Do You Uncup?" illuminated consumption habits: Some consumers leave a little chocolate on the wrapper while others licked off every morsel of chocolate! The wrapper imagery of the ads did not feature the actual product, and its inspiration emerged from memes of LeBron James' head in which a budding bald spot resembled the cup shape!

Cadbury's Dairy Milk emphasized its creamy chocolate composition in a recent campaign to strengthen its established brand position. Research indicated a growth of snacking during 2020, so highlighting the brand's salient attribute appeared to be a strong brand positioning strategy. The message reminded consumers of its "Cocoa Life" program, designed to support cocoa farmers using sustainable farming practices in six countries.

Another Cadbury brand, Caramilk, historically positioned the brand with a creative play on a key question. How does Cadbury get the soft flowing caramel inside the Caramilk bar? The idea highlights a mystery of sorts that the brand continuously reinforced. A famous ad decades ago ended with a message saying, "Caramilk. One of life's sweetest mysteries." Thus, one aspect of Caramilk's longstanding brand positioning strategy is that the market definition is by brand name.

The most recent campaign continued this strategy with the "Unlock the Secret" contest. Cadbury asked consumers to share Caramilk's secrets online in social media in order to win the grand prize of \$100,000. Examples of light-hearted propositions included "made by unicorns" or "farmed on Mars," which resonated with the fun consumption of the product. Imagery included a giant key with a question mark located on the key handle to reinforce the contest's theme.

Question

1. Which of the four brands discussed in this vignette has the best brand positioning strategy?

As the opening vignette implies, advertising and all IMC programs included in a marketing strategy contribute significantly toward the overall positioning of the product to selected target markets, or what is known as a market positioning strategy. Moreover, promotional planners establish unique communication objectives for advertising and each promotional activity to persuade a particular target audience. Thus, individual promotional programs and the whole IMC plan influence the positioning of a brand to a designated target audience, or what is known as a brand positioning strategy.

Investigating positioning for marketing strategy decisions and marketing communication decisions is consistent with the distinction between target market and target audience (**Chapter 3**) and the importance of linking communication objectives and strategy with the marketing objectives and strategy (**Chapter 5**). First, the chapter reviews market positioning strategy, defines brand positioning strategy, and describes the brand positioning strategy decision process. It then defines and illustrates the four decisions for developing a comprehensive brand positioning strategy. Finally, the chapter demonstrates how to change the brand positioning strategy through repositioning. The IMC planning section demonstrates extensions to the brand positioning strategy.

LO1 Positioning

This section distinguishes between positioning within the marketing strategy and positioning with marketing communication. Differences exist between the decision a manager makes in terms of a market positioning strategy directed to a target market and brand positioning strategy directed to a target audience. Moreover, the resulting effects known as the market position

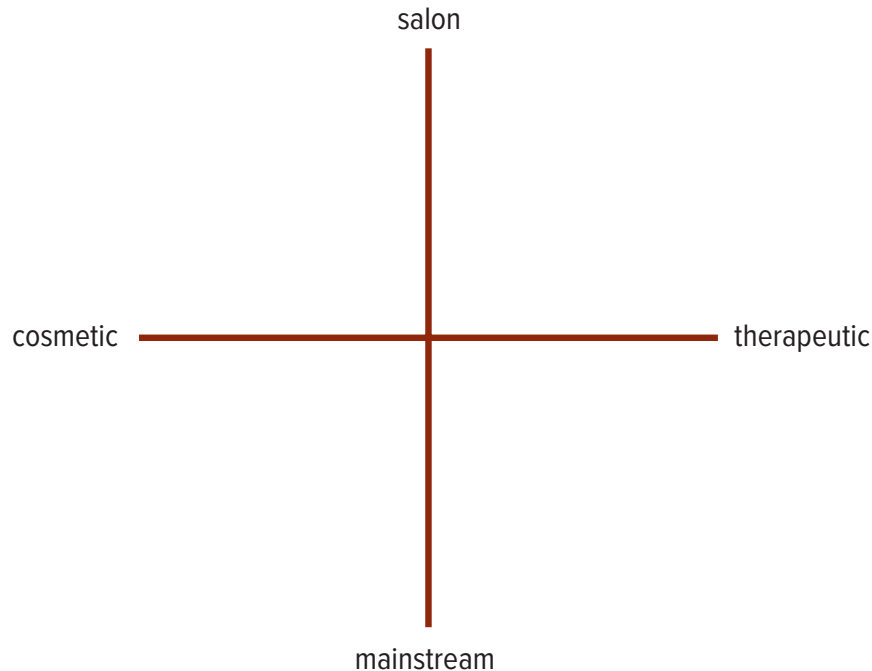
Organizations intending to successfully market their products use a **strategic marketing plan** to identify all marketing decisions and guide the allocation of resources. A strategic marketing plan evolves from an organization's corporate strategy and guides marketing programs. **Chapter 1** emphasized that promotional planners use the strategic marketing plan as an information source to guide marketing communication decisions. In particular, those creating promotional messages should be familiar with their client's or organization's market positioning strategy since it gives direction for how a brand should be positioned in the promotional program.

A **market positioning strategy** identifies the decision of the market(s) in which the firm competes and the specific elements of the marketing mix intended to fulfill the respective needs of the market(s). This view of the positioning decision combines the target market(s) decision with the marketing mix decision that delivers the consumer benefit that is meaningfully distinct from competitors' offerings. For example, Sephora rejuvenated its presence in the prestige beauty market with its "Teach, Inspire, Play" philosophy. A redesign of the interior revamped its beauty studios, allowed the brand to offer group beauty classes, and permitted user-generated content to be seen on a giant digital screen. The addition of the Sephora Virtual Artist let consumers see the effects of a multitude of products and shades on their face and clearly provided the company with a new market positioning strategy.¹

A market positioning strategy statement is typically part of a firm's marketing plan for communication purposes. This statement summarizes the decisions within the marketing program—product, price, distribution, service, and marketing communication—and the intended market(s) served. For example, a statement for a brand in the personal computer (PC) industry could focus on the education market (versus home or business) and focus on the university submarket (versus elementary school) with a distinctive offering that meets the needs of faculty replenishing the equipment in the student computer lab. Ideally, the firm used market research and its experience to put together a “package of benefits” or “value offering” that will be acceptable to this particular target market. Smart cars compete in the electric car market and fulfill a need for those who desire to purchase a vehicle that is beneficial for the environment (**Exhibit 6-1**), and presumably the brand's marketing strategy clearly identified a marketing strategy statement in its plans.

Marketing strategy results of sales or market share may be at, above, or below management expectations, as reflected by the marketing objectives. These positive or negative results are a function of the reactions of consumers and can be exactly what the firm intended or quite different. This consumer response is the **market position** of a firm. This distinction signifies that it is not the current or past market positioning strategy decided by the marketing managers, but rather the intended or unintended consumer beliefs caused by the organization's marketing efforts. Shampoo products are a good example to expand on these ideas. Shampoo is a fragmented market with many brands. Brands compete on product characteristics relating to the purpose of its use, like shining, thickening or anti-dandruff. Popular brands in Canada include Head & Shoulders, Pantene Pro-V, Herbal Essences, Dove, TRESemmé, and salon-based brands. **Figure 6-1** illustrates a feasible and hypothetical market position diagram with two axes, cosmetic to therapeutic, and salon exclusive to popular with the mainstream. The salon endpoint represents brands originating from a salon or a brand extensively used by salons.



FIGURE 6-1 Hypothetical illustration of a market position diagram for shampoo brands

Given a significant level of product category usage on a regular basis (e.g., daily), it is not surprising to see that brands appear in every sector of this diagram by competing, via brand name, ad imagery, product performance, packaging, and distribution location. Readers can consider where each of the above brands may fit on these or other axes, but a couple of observations are feasible. Pantene Pro-V implies that professionals use it, with the word *Pro* in the brand name. TRESemmé advertises that professionals use the product as the brand moved to the consumer market after establishing itself in the business market decades ago. Head & Shoulders originally claimed itself as an anti-dandruff product but now claims benefits regarding how the shampoo makes the user's hair look and feel and has multiple formats and fragrances. Given this information, where are Dove and Herbal Essences located in this market position diagram?

EXHIBIT 6-2 SoBe competes in various markets with its product line.



Source: SoBe by PepsiCo

The market position diagram, also known by the general term *perceptual map*, is a result of market research showing an accumulation of how all the respondents “see” the brands competing. It is also a summary of how a manager believes consumer perceptions line up if market research is not affordable. The image in **Exhibit 6-2** shows SoBe offering different drink options, with each competing in its own quadrant of a perceptual map for the overall non-alcoholic beverage market. In conclusion, the market position diagram depends entirely upon clearly identifying and accurately defining the criteria for the two axes. Furthermore, multiple diagrams may be necessary if a planner desires to model three axes.

BRAND POSITIONING STRATEGY

It is tempting to believe that advertising and all other IMC programs define the market positioning strategy because this promotional media exposure is publicly visible. While true in certain situations, in most cases advertising and IMC campaigns deliver a message that helps a particular target audience understand the product in comparison to other brands *within* a specific product market or category. For example, a bank sends a direct-mail piece to current customers (i.e., brand loyalists) to obtain mortgage renewals and focus the message on the ease of continuity and the good follow-up service. Or a bank runs a TV ad with a message of attractive interest rates and specialized options directed to customers from competing banks (i.e., favourable brand switchers). Finally, a bank develops a mobile app for young adults who are beginning to buy and use new financial products and services as they mature and earn money (i.e., new category users). The Samsung ad in **Exhibit 6-3** directs its message to a consumer deciding between its product and a recognizable competitor, clearly a specific target audience.

EXHIBIT 6-3 Samsung compares itself to Apple to sway a target audience.



Source: Samsung

These examples identify different target audiences with different competitive reference points and suggest the need to use the positioning concept appropriately in a marketing communication context that is distinct from positioning in a marketing strategy context. This notion of positioning in marketing communication is the subject of a new direction in the marketing literature. One study concluded that multiple positioning approaches lead to stronger marketing performance indicators.² A second study identified the importance of positioning and brand advertising congruence,³ while a third study concluded that specific target audiences responded more positively to ads directed to them versus another target audience.⁴

Advertising practitioners believe positioning is an important decision in establishing and maintaining a brand. In fact, managing a brand is so critical that the notion of branding is topical with marketers these days; however, the original authors of the positioning concept concluded that branding cannot occur without positioning.⁵ This original notion of positioning in an advertising context arose from Jack Trout and Al Ries, who distinguished between a

marketer's decisions and the resulting effect in a consumer's knowledge structure.⁶ Thus, in this text the term **brand positioning strategy** means the *intended* image of the product or brand relative to competing brands for a given competitive space as defined by certain product market or category characteristics.

A competitive space is discovered with the market position diagram, as discussed previously. For example, the upper left quadrant is a space where brands like Pantene Pro-V and TRESemmé may be challenging for consumers, and the battle may be on more specific characteristics that relate to desirable hair qualities: volume, thickness, strength, smoothness, shine, and so on. The relevant dimensions of competing within a space allow managers to determine the brand positioning strategy, a key decision prior to determining the most effective selling message of advertising or other IMC programs.

EXHIBIT 6-4 Fila revitalized its image.



Source: FILA Online, Inc.

Now consider consumer responses after being exposed to an entire IMC campaign. What do consumers feel and think about the brand after having experienced all of the messages? Do they have positive or negative feelings for the brand? What unique attributes or benefits come to mind when considering the brand? These questions pertain to the reactions consumers have to the marketing communication decisions implemented by the promotional planner. Thus, **brand position** refers to the target audience's overall assessment or image of the brand resulting from brand-related communication that tells the prospective buyer what the brand is, who it is for, and what it offers.⁷ The brand Fila successfully altered its brand position over the years with different promotional programs (**Exhibit 6-4**).

It is important to distinguish between the firm's *intended* brand image and the *actual* brand image, since these occur at different points in time and reside in different locations. The brand positioning strategy resides within the overall advertising or IMC plan, while the brand position exists within the target audience. The brand positioning strategy is written annually or perhaps every few years depending on the company's direction. The brand position requires time to take hold in a sufficient number of consumers before the planners know whether the intended

brand positioning strategy worked. The importance of distinct vocabulary between brand positioning strategy (i.e., plan) and brand position (i.e., result) existed implicitly within the view of Trout and Ries, and this distinction is consistent with other researchers.⁸

A brand position diagram visually illustrates where a brand competes more directly in a competitive space and where a brand actively advertises to persuade. In particular, brands compete on attributes, known as **salient attributes**, that the target audience views as important during their consumer decision-making process. There are likely other attributes the target audience observes, but these attributes are not deemed important for the current purchase decision. Advertisers rely on market research or experience to identify salient attributes and construct a brand position diagram to guide future brand positioning strategy decisions.

The chocolate bar category within the broader chocolate confectionery market (i.e., stand-up bags, snack boxes, bagged, bars) illustrates the above points. The broader chocolate confectionery market contains more than 100 brands, although there are duplicates with line extensions. Therefore, the chocolate bar category represents many competing brands with varying attributes to visualize a brand position diagram with three possible axes: (1) single-bar format-unique/multi-part format; (2) peanuts, almonds (nut-based)-nougat, caramel; and (3) layered wafers-solid bar. While a three-dimensional brand position diagram is feasible, **Figures 6-2, 6-3, and 6-4** show the individual pairs to illustrate the possibilities more easily. Frequently consumed brands are KitKat, Coffee Crisp, Aero, Caramilk, Mars, Reese’s Peanut Butter Cups, and Oh Henry!, each of which is placed on these axes accordingly based on its attributes. Perhaps the soft-centre bars like Mars and Reese’s are located in the middle of the layered wafers-solid bar axis.

Clearly, a brand could consider its distinctive attributes to encourage non-users to gravitate to the product category. The attribute-based brand position diagram helps identify what the competing brands might be and gives direction on how to emphasize the distinctiveness of the attributes. For example, both Reese’s and Oh Henry! could target consumers who love peanuts but who do not eat chocolate bars, and specifics of the positioning are clearer if one knows which brand it is up against. Alternatively, the attribute brand position diagrams assist the managers for the first four bars listed, since they all have a break-apart format. So if one brand tries to switch purchasers away from another brand on this feature, the approach for communicating the break-apart characteristic is estimated more accurately. As these implications show, the brand position diagram visualizes how to consider the options for brand positioning strategy decisions, but this decision is also based on benefits, or a combination if the manager deems it appropriate.

FIGURE 6-2 Brand position by attributes—illustration A

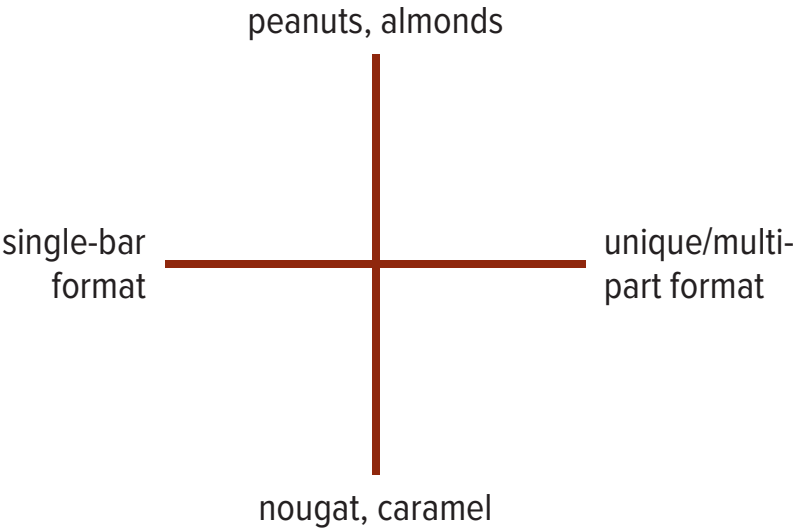


FIGURE 6-3 Brand position by attributes—illustration B

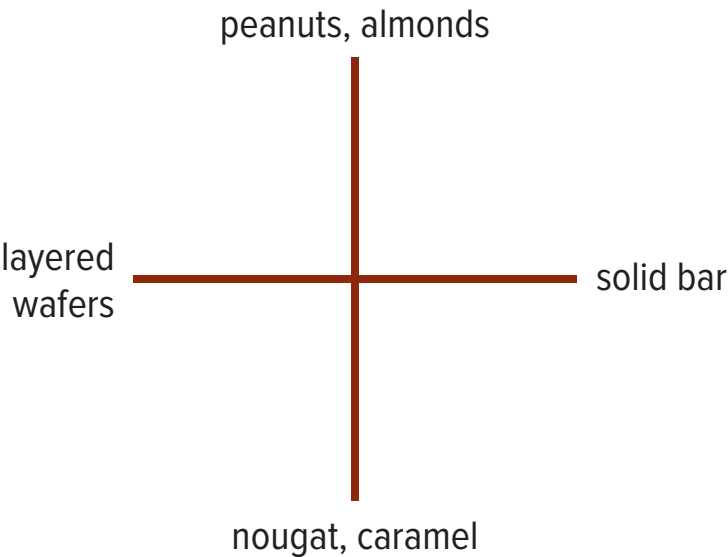
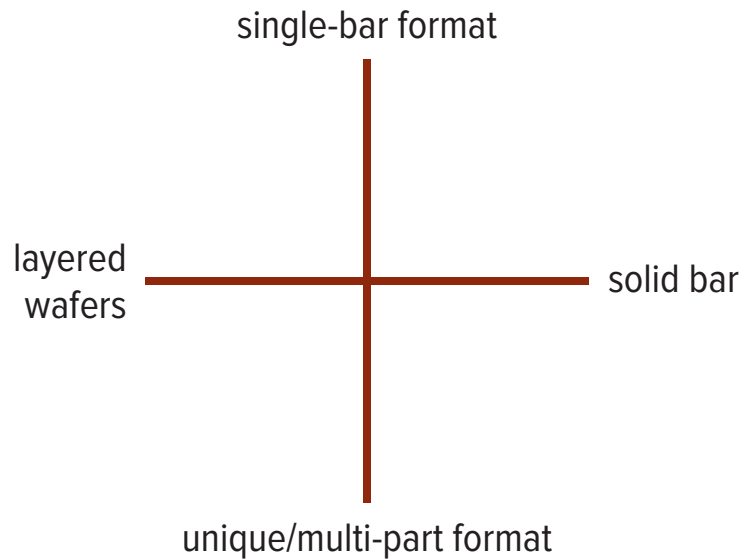


FIGURE 6-4 Brand position by attributes—illustration C

Chocolate bars also compete on certain **salient benefits**, represented by three axes: (1) filling snack–indulgent treat; (2) individual pleasure–social sharing; and (3) pure chocolate taste–multi-flavour taste. The first axis is relatively self-explanatory as brands have competed on these aspects for decades. The individual pleasure–social dimension is relevant for the break-apart bars since the pieces can be shared, thereby signifying an interesting emotional benefit of belongingness along the lines of love for a particular consumer segment. Since one aspect of chocolate bar consumption is the flavour and sensory gratification, whether the resulting taste is mostly chocolate or a mix with others is another aspect brands may emphasize in their messages. Again, these axes are shown as three pairs in **Figures 6-5, 6-6, and 6-7**. Readers are encouraged to consider an alternative view and/or place the above brands accordingly to investigate the brand positioning strategy options for each brand.

BRAND POSITIONING STRATEGY DECISION PROCESS

A six-step process for determining the brand positioning strategy is now summarized to put the decisions presented in this chapter within a planning context. In making the decision, planners assess whether the brand positioning strategy is strong enough competitively and whether sufficient financial resources exist to establish the brand position.⁹

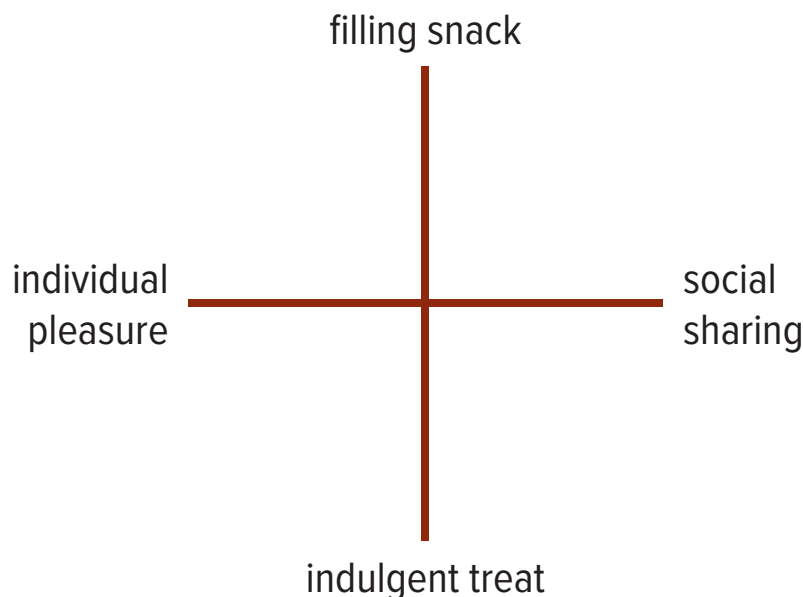
FIGURE 6-5 Brand position by benefits—illustration A

FIGURE 6-6 Brand position by benefits—illustration B

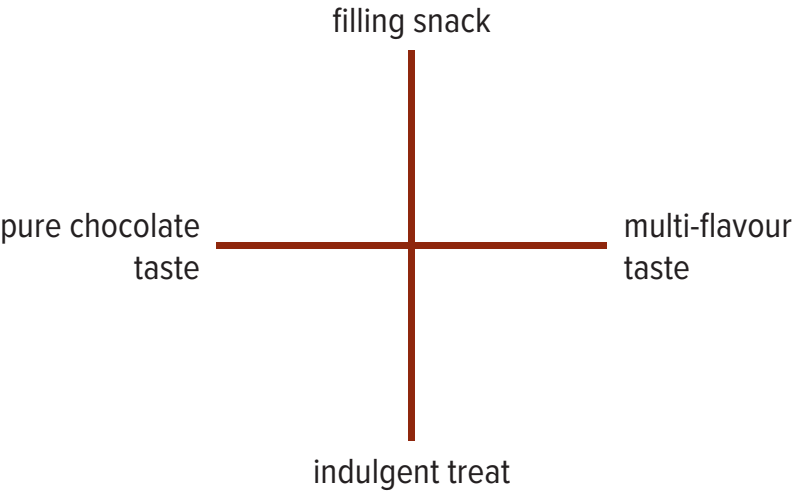
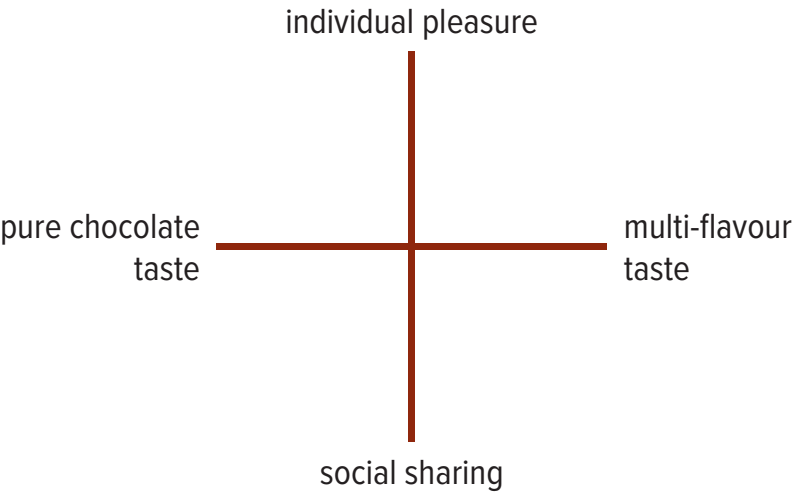


FIGURE 6-7 Brand position by benefits—illustration C



Develop a Market Partition

It is suggested that promotional planners view the market broadly as a general product category and subsequently divide the market into various subcategories until consumers perceive brands as being comparable when going through the purchase decision-making process. The criteria for market partitioning include end benefit, brand name, usage situation, and product type. Figures 6-8, 6-9, 6-10, and 6-11 show a partition of the car market for each of these four approaches, and these illustrations are altered to the decision maker’s requirements. This task is important for identifying the most important competitors to differentiate against when determining a unique brand positioning strategy that will be communicated with an IMC plan.

FIGURE 6-8 Partition of car market by end benefit

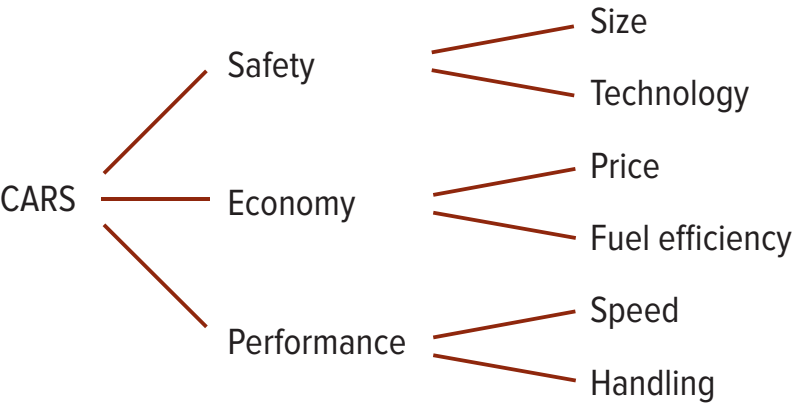
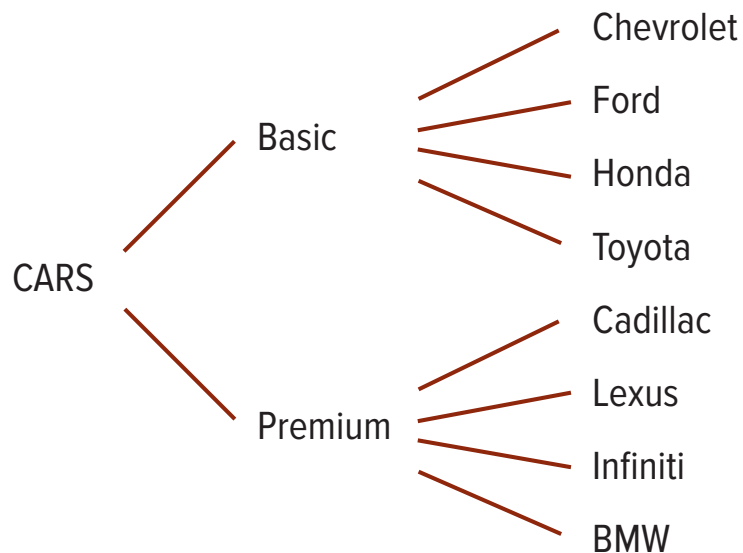
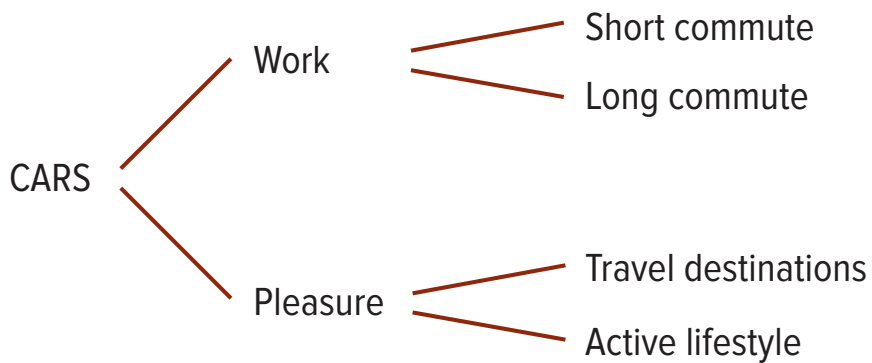
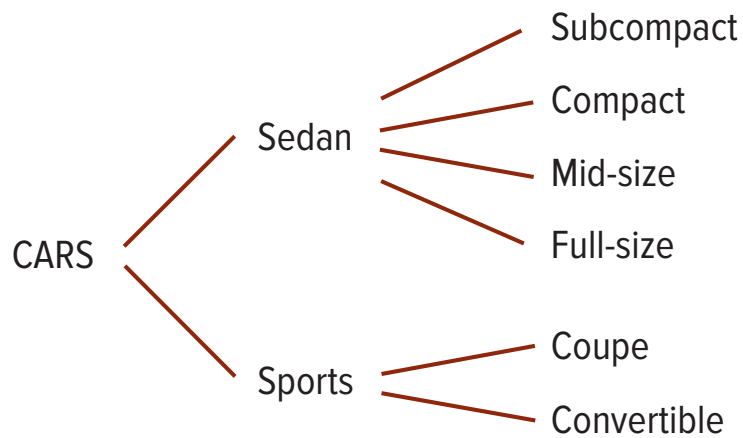


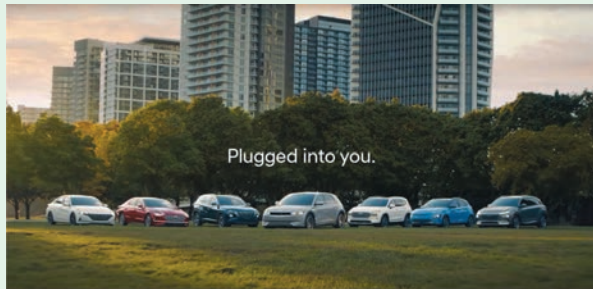
FIGURE 6-9 Partition of car market by brand name**FIGURE 6-10** Partition of car market by usage situation**FIGURE 6-11** Partition of car market by product type

IMC Perspective 6-1 illustrates the brand positioning strategy of a few automotive brands to see the points of this section in action.

IMC PERSPECTIVE 6-1

POSITIONING AUTOMOTIVE BRANDS^B

Automotive brands continually revise their advertising and promotion to maintain or alter their brand positioning strategy. Hyundai, Kia, and Toyota recently implemented promotional programs to augment the brand position of their overall product line-up or key models.



Hyundai Canada

Hyundai's product strategy focused on electric vehicles (EV), with a goal of selling only zero-emission vehicles by 2035. With 11 EV models, Hyundai achieved the distinction as the number two Canadian retailer of EVs! Interestingly, Canadians appeared unaware of its product line-up since online search statistics indicated many consumers searched EV and other brands that did not even have EVs! Consequently, Hyundai departed from its value positioning to a positioning based on its extensive EV product offering. Its "Plugged Into You" campaign targeted the numerous non-users of EVs who actively considered a switch from existing gas vehicles. The message associated the Hyundai brand with innovation, technology, and

electrification. Clearly, an augmented market partition of vehicle type emerged in Hyundai's advertising planning.

Kia instituted a global rebrand with its "Movement That Inspires" slogan to reinforce the benefit of enjoying the memorable moments and adventure while driving. Kia Canada introduced this positioning to Canada within its promotion for the launch of its sub-compact SUV. A positive ad for the new Seltos showed an optimistic and inspiring message as consumers discovered the special moments while travelling in both the city and the country. The Seltos' ad coincided with similar approaches for the Kia Sorento and the Kia Carnival.

Toyota's global "Start Your Impossible" campaign reinforced the brand's commitment to mobility beyond cars. Advertising and other IMC programs established this unique mobility positioning. It is the official worldwide mobility partner of the International Paralympic Committee, the International Olympic Committee, and the two equivalent committees in Canada. Ads during the past few years featured Olympic and Paralympic athletes without highlighting Toyota vehicles. A recent iteration featured inspirational Canadian Paralympian brothers who achieved remarkable success. This message reached millions internationally during the Canadian and American broadcast of the Super Bowl.

QUESTION

1. Which of the brands discussed in this box has the best brand positioning strategy?

Assess Competitors' Position

After identifying competitors through the market partition, planners determine the respective brand positions by assessing their consumers' beliefs through new or existing consumer research. Often, survey research shows how consumers rate the competing brands on important attributes and benefits considered when evaluating a brand. The data from these surveys are used to formulate the brand position maps shown previously. Preliminary research may be necessary to identify new attributes or benefits that competitors are communicating to establish their brand position.

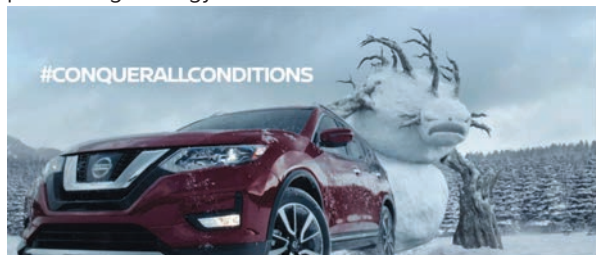
Assess Brand Position

Consumer research for the promotional planner's brand assesses how consumers currently perceive the brand. This research would be compared with the previously determined brand positioning strategy (e.g., last year, or the prior two to four years). If current efforts are not working, it may be time to consider an alternative strategy. Unless there is strong reason to believe a change in positioning is necessary, promotional planners are advised to maintain the current brand positioning strategy.

Determine Brand Positioning Strategy

Going through the first three steps provides direction for establishing a brand position; however, planners will be faced with alternatives to select from. Managers perform research or use judgment based on experience to make the final brand positioning strategy decision among identified alternatives.

EXHIBIT 6-5 Nissan's campaign supported its brand positioning strategy for its SUVs.



©Nissan Canada Inc.

Implement Brand Positioning Strategy

Next, the creative strategy and creative tactics are formulated to deliver an advertising message that supports the brand positioning strategy. For example, **Exhibit 6-5** shows a Nissan creative that successfully positioned its sport-utility vehicles (SUVs). The implementation of other IMC programs require similar development. For example, a marketer would specify the positioning of its brand to its intended target audience before deciding the message content and its creative prior to launching a public relations or publicity campaign.

Monitor Brand Positioning Strategy

After implementing a new marketing communication campaign, a promotional planner assesses whether the resulting brand position is consistent with the intended brand positioning strategy. Alternatively, for a continuing marketing communication campaign, monitoring occurs to see how well the brand position is maintained. In either case, tracking studies measure the image of the brand over time, and changes in consumers' perceptions are an input for subsequent planning for future decisions.

Nissan's "Conquer All Conditions" campaign for its SUVs supports the above steps (**Figure 6-12**). Major competitors like Ford, Honda, and Toyota successfully influenced consumers to switch from cars to SUVs, but Nissan did not. Although most SUV drivers did not drive their vehicle off-road, consumers still wanted a vehicle that handled tough winter driving conditions. Nissan communicated its AWD feature via a safety motivator with its six executions in which "monsters" visually represented the threats of winter driving. The first one showed a man rescuing others with his Nissan Rogue while they were being attacked by menacing snowmen in city streets. Brand metrics indicated a successful brand positioning strategy; overall opinion scores and familiarity climbed 40%!¹⁰ Finally, this Nissan example reinforces the earlier point of how advertising establishes a unique brand positioning strategy for a particular target audience that is distinct from a marketing positioning strategy for the entire target market.

Figure 6-12 Nissan's campaign reinforces the brand positioning strategy decision process.

Market Partition	SUV product category
Competitor Position	Established SUV option vs. car
Brand Position	Not an SUV option vs. car
Brand Positioning Strategy	AWD drive attribute; safety motivator
Implement Campaign	Conquer All Conditions (6 executions)
Monitor Results	Improved opinion and familiarity metrics

LO2 Brand Positioning Strategy Decisions

The essence of positioning the brand in the context of advertising is to clearly indicate where the brand is competing, with whom it is competing, how it is competing, and finally why consumers will purchase the brand. Each of these questions must be addressed through four decisions within the brand positioning strategy: market definition, differential advantage, target audience brand attitude, and consumer purchase motive.

MARKET DEFINITION

A primary decision for positioning is how the promotional planner defines the market where the brand competes with its benefit claims. The market partition illustrations showed that brands compete against other brands on end benefits, brand name, usage situation, and product category. One purpose of advertising is to contribute to developing a perceived advantage over competing brands within these competitive spaces. Thus, each of these offers tremendous opportunity to communicate benefit claims and establish a perceived differential advantage.

Positioning by End Benefit

A common approach to positioning is setting the brand apart from competitors on the basis of its primary end benefit that is important to consumers. One extension of this approach is that a brand is positioned on multiple benefits if necessary. Another extension is that the benefit is communicated by making a claim about a brand's attribute performance. In this case, the positioning focuses on these specific attributes, and the benefits are not directly claimed in the message but are implied and therefore understood by the receiver. A third extension is that marketers make a direct link between a particular attribute and the derived benefit to show support for the benefit claim. For example, Chickapea pasta is made of chickpeas and lentils, and the brand communicates its positioning of a health benefit with in-store displays describing the organic protein-based ingredients.¹¹

Advertisers require good research and reasons to justify positioning by end benefit because moving toward a specific attribute or benefit precludes messages regarding other attributes and benefits. One research study concluded that positioning by attributes in an ad message works when the consumer is planning a more immediate purchase, while positioning by benefits in an ad message works when the purchase is more distant in time.¹² The positioning of 5-hour Energy shown in **Exhibit 6-6** is typically based on its attributes (e.g., zero sugar, 4 calories) and links the attributes to an energy benefit (e.g., quick, lasting energy).

EXHIBIT 6-6 5-hour Energy communicates its attributes in its ads.



Source: Living Essentials Marketing, LLC.

Positioning by Brand Name

Marketers use an emphasis on quality for a brand positioning strategy with ads that reflect the image of a high-end product where cost, while not irrelevant, is considered secondary to the benefits derived from using a quality brand. Premium or luxury brands tend to use this positioning approach and one might speculate that much of Apple's advertising presumed a positioning by brand name with its innovative quality. Another way of brand name positioning is to focus on the quality offered by the brand at a competitive price (e.g., value-based). For example, Lands' End uses this strategy by suggesting that quality is affordable. Remember that although price is an important consideration, the product quality must be comparable to competing brands for an effective positioning strategy. Positioning by brand name also occurs with an emphasis on the importance of the brand, as shown in the American Express ad of **Exhibit 6-7**. The slogan reinforces the positioning and it is a clever revision of the famous "Don't leave home without it," which the brand used for decades.

EXHIBIT 6-7 American Express positions by brand name in most campaigns.



©American Express Canada

Samsung is an international electronics brand that has launched several new products over the past few years—such as a curved-screen TV, smart watch, and wearable tech clothing. One aspect of Samsung Canada's messages included a virtual line-up with personal avatars for the new Galaxy S6 smartphone. Targeted to younger consumers, the concept encouraged those interested in moving up higher in the line to post social media messages or pictures that included the hashtag #S6lineup. Banking on research that indicated the importance of social influence as opposed to brand persuasion, Samsung's marketing team took this approach to drive favourable messages. Other communication featured a large digital display of the avatars in Toronto. These and other Canadian advertising initiatives resulted in improved Samsung brand preferences, and market share in Canada reached Samsung's global level.¹³

Positioning by Usage Situation

Another brand positioning strategy is to associate it with a specific use. This approach occurs for product launches and when a brand changes its positioning direction. For example, alternative Becel advertising emerged after Unilever sold the brand. Past ads communicated the healthy side of using the spreadable margarine, but the new positioning focused on the use of Becel for baking. A heartwarming execution of a low-income family making a gingerbread house coincided with their receiving a home from Habitat for Humanity.¹⁴ Empirical research concludes that a marketing communication such as the Becel example influences consumers adopting new uses for products.¹⁵ The ad for DanActive in **Exhibit 6-8** communicates a usage situation positioning by suggesting it is good for breakfast. Imagery of the sun rising in the background adds a visual cue to reinforce morning consumption.

EXHIBIT 6-8 DanActive encourages breakfast consumption with a usage situation positioning strategy.



Danone Canada

EXHIBIT 6-9 Via competes with other forms of transportation.



Hand-out/VIA Rail Canada Inc./Newscom

Positioning by Product Category

Competition for a product also comes from outside the product category and, rather than positioning against another brand, an alternative strategy is to position the brand against another product category. For example, VIA Rail positioned itself as an alternative to airplanes, citing cost savings, enjoyment, and other advantages (**Exhibit 6-9**). Dairy Queen, known as DQ these days, continually faces a message challenge in signalling its market definition, since the brand communicates its outlets as a destination for ice-cream treats while competing with similar kinds of venues, and as a location for eating fast food while competing with the big players like McDonald's. Ads for Canadian Club, a brand of rye whiskey, showed consumers questioning why they always relied on their "go-to" drink of beer when they would rather have a rye and ginger cocktail. The super at the end of the ad reinforced the visual with the "meet your new cold one" message.¹⁶

DIFFERENTIAL ADVANTAGE

Brand benefit claims embodied in the positioning and represented in the ads contribute to the differential advantage for a brand. While it is generally expected that a brand positioning strategy takes a differential positioning approach and has a product benefit positioning focus, situations exist where brands use a central positioning or user positioning instead.

EXHIBIT 6-10 This positioning focuses on the benefit of looking stylish with colourful Prada handbags.



©Lou Linwei/Alamy Stock Photo

Differential Positioning

As noted in the previous section, advertising contributes to the perceived differential advantage for a brand. The five major Canadian banks try to distance themselves from one another with their advertising claims of superior products and services. For example, RBC strengthened its overall product offering by bringing individual products under the Vantage brand name. Research showed that consumers tended to use multiple brands across their financial purchases and consumption. RBC's brand positioning strategy differentiated itself as a full-service alternative with excellent rewards. The advertising to promote the Vantage brand featured short vignettes of male consumers to visually show how consumers benefited with RBC's offering.¹⁷ The Prada ad in **Exhibit 6-10** is an example where its stylish looking handbags have a prominent focus to differentiate the fashion brand.

One aspect of differential positioning is the degree to which an advertiser makes a claim of product quality. Academic research on quality in marketing gained ground with more investigative treatments. For example, one study explored the difference between quality and taste, two compelling directions for making claims in messages.¹⁸ Another study concluded that high-quality brands should make quality claims in their ads, but low-quality brands should not try to claim that they are almost as good as leading brands.¹⁹

Central Positioning

Market circumstances allow brands to claim a central position within the product category, quite an alternative direction compared to differential. A central brand positioning strategy is possible when the brand claims and delivers on the most salient benefits. It occurs when the brand (1) leads the product category in market share, and (2) achieves success in the growth stage of the product life cycle, or possesses unique attributes that essentially defines the product category. For example, one might conclude that Apple took a central position in its ads that demonstrate key features of its new products over the past two decades. SodaStream presents an interesting example of a brand building a central position across campaigns. The in-home soda machine has no real direct competitor, but shows its unique position by defining its market with two product categories. It initially demonstrated how it works, compared its advantage to soft drinks, and explained how to break up with soft drinks. Subsequent ads showed how many plastic bottles one could avoid recycling by using the machine instead of bottled water and how it would save aquatic life.²⁰

The ad in **Exhibit 6-11** is an application of a brand potentially claiming a central position in a product category. Pepsi associates its brand identification with legendary soccer star Lionel Messi, implying that its cola product is the best in the world since Messi is arguably the best soccer player in the world. As a prelude to creativity covered in **Chapter 7** and **Chapter 8**, notice how the Pepsi colours are meshed with Messi's legs, giving the impression that Pepsi and Messi are intertwined (one and the same perhaps?). Furthermore, the imagery of a lion in the background plays on his name and any associations with the animal (e.g., king of the jungle) are transferred to the brand as well.

Product Positioning

Most positioning decisions involve unique and differential benefit claims that the brand deliver. The market partition and competitive analysis gives promotional planners the opportunity to identify and determine the most important ones to claim in advertising. For example, Advil creatively communicated the strength of its new cold and sinus product with humorous executions that showed a stereotyped strong man demonstrating his power by conquering weightlifting, fighting an adversary, or bending steel rods into the shape of a puppy.²¹ A focus on the product such as this is known as **product positioning**. The Yodel ad shown in **Exhibit 6-12** demonstrates a product positioning focus by highlighting the features of the smart watch technology.

Ads are quite creative and visually stimulating to convince consumers of a product positioning. Sliced havarti, grated mozzarella, and a block of old cheddar are featured at the end of three amazing cheese ads for Kraft's Cracker Barrel since they are what starts three delicious treats—a steak sandwich, lasagna, and a cheese board. The ads show a close-up of the preparation of each food in reverse order! The scenes trace back through each preparation stage until Cracker Barrel cheese is revealed as the starting point. The inspiration for the ads flowed from consumer research. Food preparation represented an expression of love, and consumers saw cheese as a main ingredient in food preparation. Competitive research indicated that low-priced cheese, and cheese with price promotions, took a growing share of the marketing, giving Kraft the motivation to portray Cracker Barrel as a higher-end brand. To reinforce this, the ads used extensive food imagery with higher quality recording and photography, much like that found on cooking shows or in food magazines, to go along with the imagery found with gourmet brands.²²

User Positioning

While a positioning with a product focus is a useful approach for many product categories and brands, **user positioning** is an alternative where the benefit is expressed personally in the message. In this case, a brand is positioned by association with a particular group of users, as illustrated in the Globe ad of **Exhibit 6-13**. This campaign emphasizes identification or association with skateboard enthusiasts, which may be seen as a reference group or aspiration group.

Another perspective for user positioning occurs when a consumer is motivated for individual reasons, and the ads emphasize how the consumer positively feels while consuming the brand. For example, Bombardier moved from a product positioning to a user positioning when its ads changed from just showing the recreational vehicles (snowmobiles, ATVs) to exploring the stories, emotions, and experiences of its customers. The change resulted in positive sales and profits almost immediately.²³ Activia yogurt

EXHIBIT 6-11 A unique Pepsi ad with soccer star Lionel Messi contributes to a central positioning in the cola product category.



©Danny Clinch for PepsiCo/SIPA/Newscom

EXHIBIT 6-12 Yodel communicates a key benefit for a snowboarder.



Hand-out/YodelTECH Inc./Newscom

EXHIBIT 6-13 Globe positions by product users who are skateboarders.



Source: Globe International Limited

ads promoted a user positioning strategy by supporting women with a playful message, “You’ve Got Guts,” to signal women’s courage in tackling and achieving all sorts of personal life activities.²⁴ In Quebec, Neutrogena’s research indicated consumers celebrated the daily ritual of facial skin care. The brand’s user positioning reinforced this with its “Your Way” campaign that showed there was no one correct way to moisturize!²⁵ The ad in **Exhibit 6-14** visually expresses the individual experiences of being in the Big Apple and staying at the Hilton.

EXHIBIT 6-14 This positioning focuses on a user positioning.



Source: Hilton

TARGET AUDIENCE BRAND ATTITUDE

Consumers hold a number of beliefs about a brand and some beliefs are activated in brand attitude formation and are known as **salient beliefs**. These beliefs are based on salient attributes and salient benefits described earlier in this chapter. Marketers use a model to develop persuasive brand positioning strategies since it guides which attributes and benefits to claim in advertising.

Brand Attitude Persuasion

Consumer researchers and marketing practitioners apply attitude models to study and measure consumer attitudes.²⁶ A **multi-attribute attitude model** views an attitude object (e.g., brand attitude) as possessing a number of attributes that consumers evaluate to form their attitude. The model is also adapted to benefits as well. Thus, consumers form beliefs about the *performance* of specific brand attributes or brand benefits.

A consumer’s evaluation of these attributes or benefits are obtained with scaled questions (e.g., performance rating from 1 to 7) used in quantitative research with large samples. For example, each consumer rates multiple toothpaste brands in terms of cavity prevention, flavour, tartar control, breath freshening, and whitening. The calculated average of the five toothpaste questions is added up for each brand, and the result shows which brand is rated the best, second best, and so on. **Figure 6-13** summarizes the performance ratings of three illustrative brands from all consumer responses for all five benefits. These hypothetical ratings simplify the presentation with integers and shows that all three brands are identical with a total score of 25.

Figure 6-13 Performance Ratings of Three Sample Brands

Benefits	Importance	Brand A		Brand B		Brand C	
		Rating	Score	Rating	Score	Rating	Score
Cavity Prevention	7	7	49	3	21	4	28
Tartar Control	6	5	30	3	18	5	30
Flavour	5	7	35	5	25	4	20
Breath Freshening	4	3	12	7	28	6	24
Whitening	3	3	9	7	21	6	18
Brand Attitude		25	135	25	113	25	120

Another part of this research is to obtain a consumer's assessment of the *importance* of each attribute or benefit with scaled questions (e.g., importance from 1 to 7). For example, each consumer indicates the importance for all five toothpaste attributes/benefits, and again, the calculated average of each shows which is the most important, second most important, and so on. **Figure 6-13** summarizes averages of the importance of the five benefits; cavity prevention is most important while whitening is least important.

The significance of relating both the *performance* and the *importance* data is seen in the scores for each brand. Each importance number is multiplied with the benefit rating for each brand, which is then summed to compute a brand attitude score. The final tally shows that Brand A has a stronger attitudinal score (135) compared to Brand C (120) and Brand B (113). The weighting of each performance rating by the importance data alters the brand scores from being equal at 25 to being unequal. Marketers assess the brand attitude scores over time periods. For instance, Brand B's communication objective is to increase brand attitude. So a promotional planner develops a campaign to achieve this goal and conducts the same research a couple of years later to see if the message improved the brand attitude score.

Marketers also examine brand attitude scores for different target audiences. The above data is split so that brand attitude scores are computed for customers and non-customers. A study demonstrated that research examining attribute ratings of customers and non-customers provided important direction for improving the marketing communication strategy for a European telecommunications firm.²⁷ Alternatively, the data is split with other segmentation variables. For example, a brand attitude score is computed for parents buying for their children and for young adults buying for themselves. In this scenario, parents prefer Brand A since it has a high score for cavity prevention and young adults might Brand B since it has a high score for breath freshening and whitening.

In conclusion, multi-attribute models identify the beliefs that underlie consumers' evaluations of a brand and the importance of specific attributes or benefits. This analysis guides communication strategies, like maintaining attitudes of current customers or changing attitudes of non-customers. In general, there are four ways to influence attitudes of target audiences regarding specific brand characteristics in ad messages.

Influence Attribute Belief

The first strategy is to identify an important attribute or benefit and communicate how well the brand performs on that attribute or benefit. This influence strategy is selected in situations where consumers do not perceive the brand as possessing an important attribute, where the belief strength is low and requires improvement, where belief strength is moderate and needs to be strengthened, and where belief strength is high and needs to be maintained. **Exhibit 6-15** shows a Burt's Bees ad that provides three reasons why beeswax outperforms petroleum in lip balm products. In a number of ads and promotional activities, A&W restaurants communicated its delivery of better ingredients: natural cane sugar in its signature root beer; meat raised without hormones, steroids, or antibiotics; and eggs from vegetarian chickens. Consumers reacted positively as sales grew for nine straight quarters, resulting in market share growth of 1%.²⁸ In the case of CIBC, the use of Percy the penguin in its ads improved its attribute ratings for "consumer-centric" and "personalized," which suggests that consumer attitudes are stronger.²⁹

EXHIBIT 6-15 Burt's Bees compares its attribute to its competitor to show how it is better.

HOW DO YOU GET ALL THE MOISTURE WITHOUT THE MUCK?

BEESWAX	VS.	PETROLATUM
Naturally replenishing moisturizer made by bees.		Non-renewable hydrocarbon made from crude oil.
Hydrating barrier that keeps lips moisturized.		Greasy film that could contain contaminants.
With pomegranate oil, keeps lips smooth & supple.		Sometimes used to stop corrosion on car batteries.

HAVE YOU READ YOUR LIP BALM LABEL LATELY?

beeswax · pomegranate oil · sunflower seed oil · coconut oil
BURT'S BEES REPLENISHING LIP BALM
 Your well-being is important to us. It's our commitment to The Greater Good.
 visit.burtbees.com

Source: Burt's Bees

EXHIBIT 6-16 The importance of larger lenses is highlighted in this Valea ad.



YaleaEyewear.com/MEGA / Newscom/GWGLA/Newscom

EXHIBIT 6-17 Messages about Purdy's bar focus on the additional peanut butter flavour that goes with the existing chocolate and pretzel ingredients.



Purdy's Chocolatier

as a good substitute for homemade sauce when consumers did not have sufficient time to make it from scratch. The positioning goal of “tastes more like homemade” grew 32% versus a 5% goal, and the goal of “brand for me” rose 19% versus a 5% goal, both indicating a strong brand position resulting from the brand positioning strategy decision.³²

The Classico example added attributes associated with the product category, but other claims can go beyond the expected ones. For example, the image in **Exhibit 6-17** shows a recently introduced Purdy's bar. The messaging of the bar focuses on the significance of adding peanut butter to other bars and products that contain chocolate and pretzels.

Influence Attribute Importance

This second strategy involves influencing consumers to attach more importance to the attribute in forming their attitude toward the brand. The importance to the target audience might be negligible and the advertiser's persuasion makes it become important. Or, the importance to the target audience could be at a reasonable level and the advertiser's persuasion makes it even more important. Marketers using this strategy increase the importance of an attribute their brand delivers on strongly in terms of its performance rating. An Oikos campaign took advantage of its protein-rich Greek-style yogurt by highlighting the importance of using this kind of yogurt for cooking meals other than breakfast.³⁰ International Delight, a coffee creamer, highlighted the importance of adding flavour to one's regular cup of coffee for a more exciting experience with its “Live Live to the Flavourist” campaign. Key in-store phrases like “it's like a party in your coffee” and “don't forget your party favours” reminded consumers of flavour importance.³¹ The ad in **Exhibit 6-16** conveys the importance of wearing glasses with larger lenses with the “Nice to see you” phrase.

Add New Attribute Belief

The third strategy for influencing consumer attitudes is to add or emphasize a new salient attribute or benefit. Marketers focus on additional brand benefit claims, not those that have been previously communicated. For example, Classico pasta sauce established new beliefs of “tastes like homemade” and “is a brand for me” for its new ad campaign. When launched decades ago, Classico owned the prepared pasta sauce category, especially the premium subcategory. Its recent promotional activity relied on price discounts and trade support, and no image advertising occurred for a decade. With the leader not actually leading a market with its messaging, competitors naturally entered the market and threatened Classico's 34% market share. Managers viewed the market now as having four distinct subcategories—value, mainstream, premium, and super-premium—with Classico still leading the premium subcategory but now seemingly behind a couple of super-premium entrants. The brand positioning strategy intended to reclaim the quality beliefs and Italian characteristics so that “authentic epicurean” consumers would see the brand

Influence Attribute Belief of Competitor Brand

A final strategy marketers use is to change consumer beliefs about the attributes of competing brands or product categories. This strategy is associated with a comparative ad, where a marketer directly compares its brand to competitors on specific product attributes. This strategy also occurs with alternative approaches as well. For example, Huggies successfully improved its consumer ratings on the “better for newborns than other brands” belief after launching its “No Babies Unhugged” program at hospitals. Babies need hugs to regulate their body temperature, strengthen their immune system, and gain weight. The brand arranged for highly screened volunteers to visit hospitals and hug babies in medical situations where hugs were not possible. Filming of the activities and testimonials of healthcare professionals provided content for the positioning message. The campaign focused on Huggies' main rival, Pampers. The two brands continually battle for market share, and Huggies wanted a new positioning to go beyond the typical approach of functional claims of protection and absorbency. Beyond the competitive point, the program provided consumers with a widespread belief in Huggies as being a good brand, and the hugs angle offered a broad emotional association to the brand. The successful made-in-Canada program expanded to over 30 other countries!³³

Brand Belief and Emotion

Finally, an extension of this approach is to influence the target audience’s attitude with a broad claim about the brand instead of making claims about *specific* salient attributes and benefits. For example, public relations initiatives generally try to influence attitudes by showing that the organization is trusted, a broad belief about the brand. Expedia reoriented its positioning on this key point because consumers valued a travel company as a trusted partner in their overall travelling journey. Consumer research indicated a willingness to travel but wanted to avoid any unanticipated difficulties. Aldo is a mall-based shoe brand, and its positioning is based on a broad appeal of its many types of footwear for many groups of consumers. Its many promotional activities (e.g., contests, social media) attempt to portray the brand as more than a typical mall brand, even though that is exactly where its market shops regularly.³⁴

EXHIBIT 6-18 Dove’s ads contrast how women view themselves with how others view them.



Hand-out/DOVE/Newscom

Another alternative approach is to influence the target audience’s attitude with a broad emotion associated with the brand instead of influencing the importance of *specific* salient attributes or benefits. For example, “Eat Together” ads for Loblaws and the “Hauler” ads for No Frills show the excitement and exuberance of the loyal shoppers, respectively. Dove’s “Campaign for Real Beauty” is an example where the ads likely contributed to strengthening the overall brand attitude with a broad belief and broad emotion approach. Dove’s research proved to managers that the brand appeared as a “latecomer” to the personal care market compared to its major competitors. The campaign attempted to define the market along the lines of “cosmetic beauty” versus “real beauty,” with Dove striving for a central position within the latter market definition. The advertising campaign and public relations programs did not focus on specific product attributes or benefits but reinforced consumers’ beliefs about brand responsibility as well as reassurance and happy emotions associated with the Dove. Continued messaging in subsequent ad executions and community programs supported this overall brand belief and emotion influence (Exhibit 6-18).

CONSUMER PURCHASE MOTIVE

Brand positioning strategy implementation involves presenting the brand’s benefit claims to a target audience in an ad message. The portrayal of the benefit claims communicate the underlying reason why a brand is bought, which is reflected by the consumer purchase motive. Associating the benefit claim with a specific consumer purchase motive influences whether the target audience responds positively to the brand’s delivery claim or whether the target audience believes the benefit is important. Figure 6-14 identifies informational and transformational consumer purchase motives to guide the portrayal of the benefit claims.³⁵ This distinction is consistent with valence theories of motivation, but each is activated with emotion so these motives do *not* reflect a rational-emotional grouping. Furthermore, a few are aligned with Maslow without the hierarchy characteristic, and a few are related to the need recognition stage of the consumer decision-making process. Overall, this view of consumer purchase motives allows pragmatic advertising planning for accurate benefit claims and an optimal brand positioning strategy.

Figure 6-14 Eight consumer purchase motives

Informational Motives	Transformational Motives
Problem removal	Sensory gratification
Problem avoidance	Intellectual stimulation or mastery
Incomplete satisfaction	Social approval
Mixed approach-avoidance	
Normal depletion	

Informational Motives

Informational motives are negatively based since the consumer perceives their current consumption situation as a deficit in which the purchase of the product minimizes the shortfall and brings the consumer to a neutral or normal state. The deficit situation is shown as a problem and lack of satisfaction in the first four motives. Problem-removal motives reflect consump-

tion situations where consumers perceive a problem (e.g., dandruff) and seek a product that resolves the problem (anti-dandruff shampoo). In contrast, problem avoidance motives occur when consumers anticipate a problem if they do not take preemptive action through the purchase of a product. Insurance advertising typically addresses this as a motive as the messages show the consequences of not having coverage, or not having the right type or amount of coverage. These two examples for removal and avoidance are fairly self-evident; their application to specific brands requires unique executions so that the idea of selling the category does not dominate the achievement of brand communication effects.

EXHIBIT 6-19 A business owner in need of a better payroll system may view Intuit favourably.



Source: Intuit, Inc.

Consumers are motivated to switch brands when incomplete satisfaction with their current brand choice leads them to seek a better product. Television and phone service providers periodically gravitate to this motive in their ads. Rogers positioned its SmartStream—Ignite Entertainment by visually demonstrating a household's frustration while navigating among a maze of app logos searching for a show to watch. The Rogers offering is portrayed as simpler to search with plenty of quality programs to select from.³⁶ Koodo demonstrated to frustrated consumers of other brands that they would be satisfied when they "Choose Happy" by switching to Koodo.³⁷ The current usage or consumption situation contributes to incomplete satisfaction, leading consumers to seek an alternative. The information contained in **Exhibit 6-19** claims Intuit provides a simpler way for a small business to complete their payroll task. The owner's satisfaction is enhanced with the purchase since they can focus on other aspects of the business or their personal life.

Mixed approach-avoidance motives are active for consumers in purchase situations where they enjoy some elements of a product but dislike other parts and are seeking alternative solutions. Van Houtte positions its brand as being a "Master Roaster Since 1919" and the Montreal-based gourmet coffee company released a series of educational videos on its blog and social media vehicles. This historical and anthropological approach lends an air of authenticity to its beans and roasting skills, thereby potentially swaying consumers who may feel that other brands have fewer of these important characteristics.³⁸

Consumers require a product because they experience normal depletion after consumption. This is a regular consumer purchase motive that seemingly occurs everyday, but it is not a viable long-term option for a primary brand positioning strategy for brands in most product categories. However, a short-term message with a normal depletion consumer purchase motive is viable for seasonal purchases, for example. Gardening products in the spring and school supplies in the fall are two obvious ad messages that remind consumers to purchase once again due to depleted supplies.

Transformational Motives

EXHIBIT 6-20 The enjoyment of wearing a luxury brand like Gucci is visually communicated with a stylish outdoor image.



Robert Landau / Alamy Stock Photo

Transformational motives are positively based since the consumer perceive their current consumption situation as neutral in which the purchase of a product improves the situation to an enhanced state. The improvement idea is seen in terms of gratification, mastery, and approval. The ad in **Exhibit 6-20** shows how stylish a person looks when wearing a Gucci product, likely signalling an implicit social approval motivation.

Sensory gratification motives are predicated on the product providing a positive experience via one of the five senses. Clearly, this is a valuable approach for many types of products, but it is important to focus on the right aspect with the right reference point. Newfoundland and Labrador Tourism's "Find Yourself" campaign captured the sensory experience of being in the province through an exquisite portrayal of its landscape, people and culture. The breathtaking scenery and delightful storylines brought a feeling of being there instantly, providing a prototypical example of communicating transformational motives.³⁹ The province continued with this style of advertising since 2015 due to its overwhelming creative recognition and improved number of visits by fellow Canadians. Likewise, the colourful imagery of the Travel Alberta ad in **Exhibit 6-21** makes consumers want to share in the fun and experience the Canadian Rockies

Intellectual stimulation or mastery is an individual motive linked to an element of self-improvement through the purchase of a product or brand. This mastery is driven by an innate human need to explore or learn. The marketing communication agency Sid Lee of Montreal, the global agency of record for Adidas, moved toward this motive in its messaging with the “All In” campaign. The wellness message associated with its sports gear encouraged consumers toward health, fitness, and achievement within the active sports community.⁴⁰ Curiously, Kraft Dinner used this kind of motivation to encourage adults to consume the product once again (e.g., lapsed users), with a nostalgic message that reminded them of how much fun they experienced as children when eating the cheesy noodles.⁴¹

Personal recognition is suggested with the social approval motive, whereby consumers are motivated to purchase certain products or brands because consumers aspire acceptance in certain social groups. Women’s fashion boutique Aritzia eschews traditional advertising, however its extensive use of public relations via influential bloggers, social media conversations, and celebrities wearing its fashions at store events all suggest a subtle connection to social approval. Its prominent placement of a flagship store on Fifth Avenue in New York City carries forth the boutique impression it strives to maintain in the market.⁴²

EXHIBIT 6-21 Travel Alberta conveys the physical enjoyment of skiing in the Rockies.



Hand-out/TRAVEL ALBERTA/Newscom

Motive and Attribute Importance

The above description of importance in the toothpaste example showed one general idea of importance for each benefit. However, this section identified the significance of a consumer’s purchase motive that guides how consumers evaluate a brand’s performance of attributes and benefits. Moreover, consumer purchase motives also influence the importance assessments since different motives make some attributes and benefits more critical than others. For example, the purchase motive for parents buying for their child is problem avoidance, whereas the purchase motive for young adults is social approval. This implies that the importance for problem avoidance benefits would be strong for parents and the importance for social approval benefits would be strong for young adults. Therefore, the research that produced **Figure 6-13** is adjusted to ask the importance questions within the context of unique consumer purchase motives.

Figure 6-15 provides three tables of hypothetical data for five car benefits to illustrate this refinement of brand attitude persuasion. The first table shows the five benefits where the importance ratings are all the same, the performance ratings for the three brands vary (but all total ratings equal 24), and the overall brand attitude scores are equal at 120. The second table shows the importance of the benefits change, with two increasing and two decreasing that correspond to the framing assessment in terms of a social approval motive. In this scenario, Brand X is preferred over the other two brands. The third table reverses the importance of four benefits with an alternative motive of sensory gratification, and the scenario is the opposite with Brand Z leading over the other two brands. The point of this illustration is to show that comfort and driving responsiveness are more important for those motivated by the driving experience, and that stylishness and image are more important for those motivated by impressing other people via social approval. What can Brand Y do in either of the latter two scenarios? A campaign illustrating how it delivers consistently on all five benefits influences those with an incomplete satisfaction or mixed-approach avoidance purchase motive.

Figure 6-15a Hypothetical data of car benefits: general importance

Benefits	Importance	Brand X		Brand Y		Brand Z	
		Rating	Score	Rating	Score	Rating	Score
Comfort	5	3	15	5	25	7	35
Stylish	5	7	35	5	25	3	15
Responsive	5	3	15	5	25	7	35
Image	5	7	35	5	25	3	15
Versatile	5	4	20	4	20	4	20
Brand Attitude			120		120		120

Figure 6-15b Hypothetical data of car benefits: social approval importance

Benefits	Importance	Brand X		Brand Y		Brand Z	
	Social Approval	Rating	Score	Rating	Score	Rating	Score
Comfort	3	3	9	5	15	7	21
Stylish	7	7	49	5	35	3	21
Responsive	3	3	9	5	15	7	21
Image	7	7	49	5	35	3	21
Versatile	5	4	20	4	20	4	20
Brand Attitude			136		120		104

Figure 6-15c Hypothetical data of car benefits: sensory importance

Benefits	Importance	Brand X		Brand Y		Brand Z	
	Sensory	Rating	Score	Rating	Score	Rating	Score
Comfort	7	3	21	5	35	7	49
Stylish	3	7	21	5	15	3	9
Responsive	7	3	21	5	35	7	49
Image	3	7	21	5	15	3	9
Versatile	5	4	20	4	20	4	20
Brand Attitude			104		120		136

IMC Perspective 6-2 shows the brand positioning strategy decisions of beverages to demonstrate the wide applicability of the concepts to many different types and formats.

IMC PERSPECTIVE 6-2

POSITIONING BEVERAGE BRANDS^c

The broad beverage market includes many types of drinks to fulfill all sorts of needs. In many instances there is a distinct consumer motive, while in others it is more ambiguous. In general, beverages compete within a competitive space with their advertising, while at other times a beverage brand's promotional messages go beyond by going against indirect competitors. A number of beverage brands developed unique brand positioning strategies along these lines.

Nespresso expanded its appeal with messages to influence consumers to enjoy their premium coffee on ice during the summer with at-home preparation. At the same time, Nespresso's business division communicated to restaurants, cafes, and hotels that the brand offered different types of systems to brew the coffee in the commercial sector. The dual approach indicates the importance of unique brand positioning for specific target audiences.

logo Nano targeted parents with in-store messages and promotions for its drinkable yogurt, packaged in a six-pack. The message focused on 40% less sugar with an

on-shelf display and coupon offer. For children, a short video message showed the container taking off like a rocket, which invited them to view the brand as a source of imagination. The dual target audience approach with unique motives proved important to influence the buyer and the end user.



Nespresso

Joyburst positioned its new energy drink solely on its attributes of no sugar, zero calories, naturally caffeinated

with green tea, plant based, sparkling water, and colourfully presented unique flavours. Its Super Bowl ad directly emphasized that the natural caffeine did not contribute to a post-consumption crash, a claim intended to resonate with caffeinated energy drinks. And its website informed visitors that it could replace their afternoon coffee.

In contrast, Truly Hard Seltzer indirectly inferred its multiple flavours with a visual metaphor in a video message. A DJ plugged their equipment into a garden with multiple fruits as an energy source to spin electronic musical tunes while slowly dancing. The positioning of the flavour benefit focused on the essence of self-expression in a more relaxed way compared to the party executions aired in the United States in the previous year. Other

IMC programs reinforced the musical self-expression approach.

Kronenbourg, a French wheat beer in a distinctive blue bottle, reinforced its premium positioning image to attract new and infrequent users during the Christmas season. It partnered with an upscale French restaurant in Toronto for sampling events and supported the activation with a moving billboard throughout the distillery district.

QUESTION

1. Which of the brands featured in this box has the best brand positioning strategy?

LO3 Brand Repositioning Strategy

Repositioning arises when a new brand positioning strategy for an established brand is required because of insight discovered in the situation analysis (e.g., consumer, competition). For example, consumer behaviour changes occur, advertising claims from competitors threaten a brand's strategy, or social trends influence consumer preferences. Investigation into these aspects of the situation analysis are prompted by poor achievement of marketing objectives, such as when sales or share are below forecast.

This section reviews five campaigns to identify the primary situational analysis insight that instigated the brand repositioning strategy and the most likely target audience. The options for altering the brand positioning strategy focus on the four decisions previously defined: market definition, differential advantage, brand attitude persuasion benefit claim, and consumer purchase motive. This section also illustrates how the brand's repositioning occurs in these four decisions (**Figure 6-16**).

Figure 6-16 Brand repositioning strategy decisions summary

IKEA	SVEDKA	Koodo	Harley	Marks
Macro-environment	Consumer	Competition	Company	Market
Loyal Customer	Other Brand Loyal	Favourable Brand Switcher	New Category User	Other Brand Switcher
Brand Name	Usage Situation	End Benefit	Product Category	Product Category
Central & User Focus	Differentiated & Product Focus	Differentiated & Product Focus	Differentiated & User Focus	Differentiated & User Focus
Sustainability	Novelty	Value	Enjoyment	Quality
Intellectual Stimulation (Self-Actualization)	Mixed Approach-Avoidance	Incomplete Satisfaction	Social Approval	Mastery (Self-Esteem)

LOYAL CUSTOMER

IKEA established itself in our country decades ago, and its marketing communication activities resonated with Canadians to ensure the brand stays at the forefront of consumers' knowledge so that they plan to visit the store when shopping for just about anything for their household. The "Beautiful Possibilities" campaign promises a new direction for the retailer, since it has departed from the past "Long Live the Home" campaign.⁴³

One amazing innovation provided consumers the chance to "Cook This Page" with a fill-in-the-blanks style of cooking (**Exhibit 6-22**). The instructions drawn on a piece of paper showed consumers where to place the food and ingredients like spices, and then they simply placed the wrapped food in the oven—and voilà—the meal was prepared! The menu offered four items that one could buy at IKEA, so the promotion informed consumers about food available for sale in addition to providing a fun way to cook dinner without much effort.

EXHIBIT 6-22 IKEA communicates how its consumers and company follow sustainability practices.



©Ikea/Leo Burnett

Another innovative idea featured a sequel to a commercial 16 years later. One famous ad from 2002 ended with an abandoned lamp on the curb in the rain. A Swedish man approached the scene and said, “Many of you feel bad for this lamp. That is crazy. It has no feelings. And the new one is much better.” Directed by Spike Jonze, the ad won the Grand Prix at Cannes. The sequel saw a young girl take the lamp home and put it to good use with a low energy bulb. The same Swedish man entered an outside shot and said, “Many of you feel happy for this lamp. That’s not crazy. Reusing things is much better.” Execution of the ad followed the original and respected the creativity of the original’s famous director. The ad signalled the retailer’s plan to publicize its longstanding commitment to sustainability. In the past, IKEA went about its environmental business without communicating it to consumers, but the essence of not wasting resources originated from its founder, who eschewed extravagance. IKEA’s programs include tree planting, owning wind-power-generating technology, and a take-it-back program, among others, and these are outlined in its annual sustainability report.

IKEA carried on this “People+Planet” approach with a similar reuse message for its Kallax shelf. After many failed attempts at performing magic acts, a young boy received a gift from his grandfather who rescued a dusty Kallax from the garage and spruced it up for a new magic act that worked while his audience of parents and siblings watched. The holiday message reinforced the idea of multigenerational households, the need to consider repurposing items for gifts rather than buying new, and the multicultural nature of Canada.

As noted above, a macro-environment trend of brands managing with sustainability is a key driver of IKEA’s promotional decisions. The retailer maintains steady repeat purchases from brand loyal customers for its wide product selection, so the benefit of sustainability is an important one for these customers. Collectively, the above scenarios suggest IKEA is attempting a central positioning for this loyal following who are interested in sustainable brands. This brand benefit is motivating from an intellectual stimulation view that is akin to self-actualization. The repositioning from the previous marketing communication indicates a new benefit, likely movement from a product focus, and likely movement from a social approval motive.

OTHER BRAND LOYAL

SVEDKA Vodka targeted millennials while they shopped, browsed, chatted, or did whatever else while online. The popular vodka reached these consumers during the run-up to Halloween, a key time to build brand momentum over the final quarter of the year leading to the holidays. Past campaigns established the brand as a “party amplifier” and achieved strong awareness to go along with above-average category growth. Despite this, managers knew millennials remained a tough audience to maintain continued communication with due to their constant media exposure while online an average of four hours per day.⁴⁴

EXHIBIT 6-23 Customized SVEDKA banner ads targeted consumers multiple times to reposition the brand and attract consumers of other brands of vodka.



Courtesy of Constellation Brands Inc.

In keeping with the October timing, SVEDKA tried to scare its target audience with very targeted “cursed” banner ads based on their browsing history (**Exhibit 6-23**). Banner ads adjusted the message as consumers moved about digitally, including what people posted in social media and being far more invasive than any other banner ad using cookies. But the execution kept consumers aware of the campaign with a transparent display as to what occurred with the data collected to maintain a balance between privacy and entertainment.

SVEDKA created over 70,000 dynamically optimized creative pieces to reach consumers an average of 16 times, targeting them across time of day, location, device, or online behaviour. Messages included things like, “I know you like the wrong vodka” and “I saw your costume.” To break the curse, consumers visited the SVEDKA website. Results included reaching 74% video viewability versus a 70% benchmark, and a 7.6-point gain in aided brand awareness versus a 4.6-point benchmark.

This example illustrates that consumer behaviour research sparked a repositioning strategy to influence other brand loyals to switch to SVEDKA, as indicated from the “I know you like the wrong vodka” banner ad. The repositioning altered the motive from sensory gratification (e.g., party vodka) to mixed approach-avoidance by communicating a new benefit of a novelty brand with its creative brand personality emerging from the executions.

FAVOURABLE BRAND SWITCHER

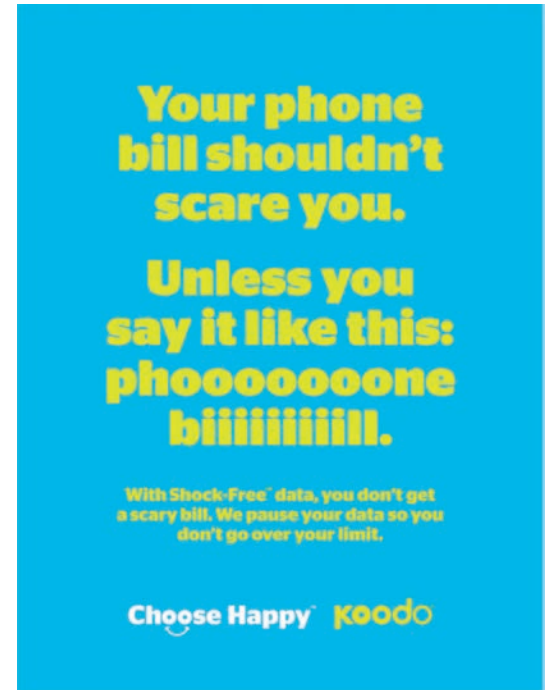
Koodo launched its “Choose Happy” campaign with bright colours to communicate mobile bliss. The direct slogan certainly encouraged those dissatisfied with other phone service providers to switch to Koodo. During the first phase, the message increased its subscriber base by 13%, even with a lower media budget.⁴⁵

An extension of the campaign (Shock Free Data) focused on the insight that almost half of Canadians paid extra fees due to exceeding their monthly mobile data allowance. A \$4 million budget included TV, radio, print, out-of-home, Internet display, social media, and paid search. The TV messages retold classic horror movie scenes. Instead of characters meeting their demise through the actions of an evil entity, they faced their monthly bill with no additional charges. Without any concern and with a shrug of their shoulders, the characters returned to their normal routine. One scene re-created the famous shower scene from the movie *Psycho*, while the other two showed generic horror movie scenes.

Post-campaign tracking research showed stronger levels for “transparent pricing” compared to other discount brands like Fido and Virgin, in addition to main player Bell. Koodo posted 74% growth in new customers compared to the objective of 15% new customers. Ad post-testing revealed stronger performance on overall brand impression, brand relevance, purchase intent, and call to action.

Exhibit 6-24 shows an ad from the campaign indicating switching behaviour from a customer (e.g., choose happy) who is not satisfied with their current plan. A key aspect of the repositioning is the value benefit compared to a previous benefit of low price. There is a service element communicated by not allowing data to run over the plan’s limit, something not previously claimed. Another aspect of the repositioning is the movement from brand name to end benefit in the market definition.

EXHIBIT 6-24 Koodo tries to switch dissatisfied customers from competitors.



©Koodo/Camp Jefferson

NEW CATEGORY USER

To mark its 100th anniversary, Harley-Davidson celebrated Canada’s 150th birthday by riding in style. The dual milestone drove the famous motorcycle company to attract a younger and more diverse clientele to the iconic brand by demonstrating that its current customer base extended well beyond the expected 50+-year-old white male rider. Harley-Davidson created “Common Ground,” an experience-based promotion in which diverse riders shared their stories. People from New Zealand, Mexico, and India journeyed across Canada with a local Canadian host while a film crew documented the six-day road trip as they met with Canadians from all walks of life in many towns. The insight that sparked the initiative focused on the belief that individual differences disappear when experiencing new things together.⁴⁶

Livestreaming occurred in paid and owned social media during the tour. From the raw footage, a 12-part story emerged that played in social media and at dealerships. Other promotional activities included promoted tweets about specific models and a website that relayed additional video, participant biographies, route information, and a link to book a test drive. Other stakeholders were not forgotten: Dealers received a supportive tool kit, and media received a press kit to ignite publicity. No doubt potential customers obtained considerable exposure and multiple opportunities to experience the Harley-Davidson message content. Product information, inspiring stories, and continued social media communication contributed to a potential customer receiving an immersive shopping experience while considering a purchase.

EXHIBIT 6-25 Harley-Davidson recruited new motorcycle users with its “Common Ground” campaign.



©Harley Davidson/Zulu Alpha Kilo

Communication prior to the travels featured profiles of the local guides in owned social media and through news media, and wild postings in large urban markets. The campaign ran from June to September and hit 47 million media impressions and 7.7 million video views, both well above the anticipated goals. Market share grew 2% in the face of a 4% decline in market sales. The campaign garnered significant national and international media publicity. The Discovery Channel picked up a one-hour version of the journey, and 475,000 viewers watched (**Exhibit 6-25**). The campaign earned numerous national and international creative awards for Harley-Davidson and for its agency, Toronto-based Zulu Alpha Kilo.

Harley-Davidson’s repositioning resulted from the company celebrating its anniversary, and the new communication attracted younger non-motorcycle users; this was in contrast to the established message of enticing other brand users to the brand. It is

suggested a motive was refreshing the brand, given the change of target audience and moving from mastery to social approval, evidenced by the social nature of the campaign. The product category market definition differed from past directions that were based on brand name.

OTHER BRAND SWITCHER

Mark's was established as Mark's Work Wearhouse in the late 1970s to serve the clothing needs of hard-working blue-collar men. Over the past 40 years, a number of changes occurred, including expanding nationwide to 380 stores; starting in-house brands Denver Hayes and Wind River in the early 1990s; selling women's clothing in 1995 (but not actively marketing this product line until years later); being sold to Canadian Tire in 2001; shortening the brand name to Mark's in 2010; and expanding its appeal to many audiences thereafter. Over the past 20 years, the company has used various slogans—"Clothes that work," "Smart clothes. Everyday living," and "Ready for this." However, the brand drifted from the origin of hard-working individuals in its messaging while the store merchandise expanded to include work clothes along with casual clothes and sports clothes (e.g., Columbia).⁴⁷

The campaign launched to resolve this problem reclaimed its historic image and featured a new slogan—"Well worn"—to signify the strength of character of its customers, the style of the work clothes, and the durability of the work clothes. The imagery of the messages conveyed the emotional satisfaction of working hard in physically demanding jobs to alter consumers' views of the retailer. Managers hoped the new message would resonate with younger potential consumers who felt indifferent and encourage them to visit the store. They expected the message would remain strong with its loyal customers, who typically skewed older.

Delivery of the message occurred on TV, digital video, and out-of-home media. Promotions included pop-up shops in three cities and an endorsement from country music star Brett Kissel. Commenting on the initiative, one Mark's executive summed it up well: "We want to talk to the hard-working Canadians who are confident, take pride in their work, value their family, and live life to the fullest through this campaign." Results appeared quite good, as Mark's grew sales by 3% due to positive communication reactions to the campaign, commentary from social media influencers, and publicity from print, radio, and TV.

The market shifted for Marks as the brand matured over the decades and the retailer needed to attract new customers who shopped elsewhere. The product quality message with the focus on accomplishment appeared as a strong benefit and was a motive to entice this group; the ads also looked substantially different than past campaigns. This indicated user focus compared to the past product focus, and the product category definition worked for this audience, who did not visit this kind of store before.

LO4 IMC Planning: Brand Positioning Extensions

From an IMC planning perspective, the brand positioning strategy decisions are extended in three directions: multiple target audiences, buyer decision stages, and corporate brands. The idea is to work with the general model for the positioning decisions and modify it for different parts of the IMC plan.

MULTIPLE TARGET AUDIENCES

The examples of brand positioning strategy in this chapter applied the decisions for a single target audience of end users. Many organizations target multiple audiences for their marketing communication. For example, **Chapter 3** identified customer groups and non-customer groups and established that brands invest in marketing communication devoted to each group. This raises the question as to whether the brand develops exactly the same positioning strategy for both target audiences, or whether the brand develops a unique positioning strategy for each target audience.

Although promotional planners consider customizing all four brand positioning strategy decisions, the first two—market definition and differential advantage—would likely remain relatively constant across customer and non-customer groups. The specific messages to influence brand attitude and the purchase motive communicated offer greater opportunity for getting the right message at the right time. One IMC program to execute this customized brand positioning strategy is the Internet. For example, automobile advertisers might consider consumers who visit websites to gather information while searching for a vehicle as more likely to be brand switchers, and will include messages that position the brand against its strongest competitor on specific benefits and portray those benefits along the lines of the target audience having dissatisfaction with their current brand. While this is just one example, promotional planners look at all advertising options and all IMC programs for opportunities to deliver a more specific message to a particular target audience that reinforces a particular brand positioning strategy.

Another interpretation for multiple target audiences involves group decision making, another topic introduced in **Chapter 3**. For example, in traditional family situations an advertiser may attempt one brand positioning strategy for parents and a relatively different one for children. McDonald's has historically employed this approach with child-directed communication of fun imagery while parents received messages of the special time they enjoy with their family. Additionally, automobile brands use print ads to emphasize certain car features that appeal to men in magazines where men represent a higher proportion of the audience, and similarly for women.

BUYER DECISION STAGES

The IMC planning section of **Chapter 5** noted that marketers consider message and communication options for each stage of the consumer decision-making process. Various message options are discerned from the brand positioning strategy decisions outlined in this chapter. First, promotional planners decide which part of the brand positioning strategy would be most relevant or effective at each stage. Market definition and differential advantage may be more appropriate at the pre-purchase stage or need-recognition stage. For example, the marketing for the Mini in Canada used television advertising to signal that it competed against two markets: regular compact cars like the Honda Civic, and other smaller sports cars like the BMW 3 Series. It also emphasized its advantage of being small in size, but not *too* small.

CORPORATE BRANDS

Thus far, the brand positioning strategy concepts and illustrated examples have focused on the brand at the product level. Corporate brands are also part of integrated marketing communications and are the focus of the public relations topics in **Chapter 15**. In this context, corporate brands have varied target audiences, for example investors or members of a particular community.

Given the broader scope of the corporate brand, the initial positioning decision for market definition would concern brand name in most cases. Establishing a differential advantage from a corporate brand entails both differential and central positioning. For example, corporate brand-building activities for Honda suggest that it attempted to establish a central positioning concerning environmental responsibility. This would coincide with its marketing activities of introducing the first hybrid vehicle. Again, the organization-wide communication would imply that most corporate brand positioning would focus on product positioning over user positioning; however, "green marketing" efforts by companies suggest potential for the latter with an appropriate message that suggests altruistic feelings to the target audience.

All marketing communication decisions are or should be designed to influence target audience attitudes, so corporate brand attitude persuasion is entirely relevant. For example, organizations often involve themselves in sponsorship activities to signal that they are socially responsible, a key attribute to communicate to the general public or to future employees or other stakeholders. Finally, most corporate brand communication is intended along the lines of transformational motives; the clearest examples are television commercials with triumphant music and everlasting positive images.

Learning Objectives Summary

LO1

Identify the concepts of market positioning strategy, market position, brand positioning strategy, and brand position.

The strategic marketing plan includes the market positioning strategy which summarizes the markets the organization is competing in (i.e., target market) and the marketing decisions. The resulting consumer perception of where the consumer believes the organization to be competing is known as the market position. Often, market research reports graph a market position diagram or perceptual map to illuminate where consumers perceive an organization to be with respect to its competitors. Promotional planners rely on the strategic marketing plan to guide the overall IMC direction, creative strategy, and creative tactics for advertising or any other IMC decisions.

For many communication problems or opportunities, promotional messages are directed to target audiences. These audiences are a subset of the target market or an entirely different group, depending upon the communications situation. Promotional planners require a detailed profile of the target audience with most appropriate

segmentation variables, including whether the target is a customer or non-customer. Advertising or any other promotional message is guided by the brand positioning strategy, which specifies how it is intended to influence its target audience with a given product category or product market. The resulting target audience perception as to what the brand offers is known as the brand position. The flexibility of influencing a target audience's brand position through IMC programs allows promotional managers to plan for unique brand positions for multiple target audiences.

LO2**Illustrate how to formulate the brand positioning strategy decision.**

The process for developing a brand positioning strategy in the context of marketing communications is similar to developing a positioning strategy for the overall marketing. However, it differs by evaluating or integrating very micro-level aspects of consumer behaviour in its planning by closely considering the nature of the purchase decision. The direction of the decision is different, with the goal of finding the most appropriate message, media, or IMC tool versus determining optimal product design features.

The brand positioning strategy comprises four decisions: market definition, differential advantage, target audience brand attitude, and consumer purchase motive. The market definition decision allows the promotional planner to consider whether to define the market in which the brand is competing by benefits, brand name, usage situation, or product category. Differential advantage decisions include whether the brand takes a differential or central positioning and whether the brand takes a product focus or user focus when making its benefit claims. Target audience attitude decisions consider how the message is expected to persuade existing beliefs to the desired beliefs about the brand. Finally, promotional planners decide what type of consumer purchase motive should be associated with the brand attitude influence.

LO3**Demonstrate brand repositioning strategy opportunities.**

In some communication situations—such as new competitors, changing consumer tastes, or poor brand performance—promotional planners need to reposition their brand. The repositioning follows the same decisions as described above, where the promotional planner considers an alternative market definition, communicates a new differential advantage, emphasizes different benefit claims, or focuses on another motivational option. Promotional planners consider altering one or all four of these decisions to achieve moderate or very significant change in the current brand position.

LO4**Interpret brand positioning strategy decisions in other contexts.**

A brand positioning strategy is augmented for any marketing communication purposes. Three relevant ones to consider are multiple target audiences, buyer decision stages, and corporate brand, to name a few. Organizations face the dual task of communicating to long-time customers and to newer customers, thereby requiring a more specific message for each and therefore raising the possibility of differences in the brand positioning strategy. Similarly, brands may alter their brand positioning strategy by emphasizing different benefits, for example, at varying stages of the consumer decision-making process. Finally, a corporate identity is of paramount importance and the decisions at the brand level are readily interpreted on a broader scale.

Review Questions

1. Why is it useful to distinguish between market positioning strategy, market position, brand positioning strategy, and brand position?
2. What problems would a brand encounter if it communicated with an incorrect motive?
3. What factors would lead a marketer to use a repositioning strategy?
4. Why is it important to consider unique brand positioning decisions at each of the buyer decision stages? Is it feasible to implement this approach for all product categories?

Applied Questions

1. Examine the social media presence of a brand and assess whether it clearly identifies a brand positioning strategy.
2. Explain why a central positioning is feasible. Do any brands currently use this approach in their marketing communication?
3. Develop market partition diagrams for beverages. What repositioning options are available for any brand?
4. How can brand positioning decisions be applied to new category users and brand loyal users of smartphones?

CHAPTER SEVEN

Creative Strategy Decisions



CCM Hockey

LEARNING OBJECTIVES

- LO1** Summarize the idea and importance of creativity in an advertising context.
- LO2** Describe the creative strategy planning process.
- LO3** Identify the approaches used for determining the creative theme that forms the basis of an advertising campaign.
- LO4** Summarize the different types of message appeals that advertisers use to persuade their target audience.
- LO5** Identify the source or communicator options a marketer has for a promotional message.
- LO6** Apply source and message appeal options for different ad executions.

CCM: ALL OUT^A

CCM quickly gravitated to the sport of hockey a few years after being established in 1899 as the Canadian Cycle and Motor Company. Today, the popular hockey brand makes all sorts of equipment for players and goalies along with various apparel product lines. In 2020, CCM took a significant creative direction with its “ALL OUT” campaign, touting its commitment to bring the brand and its customers, both professional and aspiring professionals, to the next level.

CCM launched two 60-second anthem video ads. Both messages featured plenty of action with quick scene changes every second and hockey pump-up music. The ads intended to differentiate CCM from the myriad competitors it faces across its diverse product lines. One neat feature is the simultaneous playing of both videos in a split screen with the unique music of each coming together perfectly to produce the anthem sound. The distinctive stereo earned a well-deserved sound design award.

The first, “All For This,” showed professional and youth hockey players doing off-ice training and working hard on ice to improve their game. The singing and words on the screen repeated the “ALL OUT” theme numerous times with many inspirational phrases; out work, out sweat, out skate, out grind, out think, out shoot, out brave, and out last. It began with the first phrase, then sung the first two phrases, then sung the first three phrases, and so on until singing all eight phrases with increasing speed. The second, “All For You,” showed CCM personnel putting in their work, such as designing and testing new equipment. The words on the screen followed the same style with different phrases: all the

work, all the tests, all the fails, all the collaborations, and the scenes changed equally quickly. The superimposed version provided an action-packed visual spectacle of hockey training and hockey equipment designing.

CCM followed these messages with a tribute message, “We Are in Net,” to goalies to support the marketing of that product line. The video interspersed images of children playing goalie with images of professional goalies. The images changed very quickly through most of the 60 seconds and changed extremely fast for a few additional seconds. The mesmerizing effect translated into the experience goalies face when defending the net: hyper-action surrounding them constantly. This visual extravaganza also earned a well-deserved video editing award.

Creative video messages often require in-store repetition of the imagery, and this is especially true for hockey equipment ad campaigns. CCM relied on the design studio 54Blue, who provided numerous services to launch the campaign at the retail level with large-scale print signage and collateral material. Installers performed site checks for measurements and special requirements for each retail outlet. This work allowed for customized printing of the exciting imagery. Installers took over once again to ensure professional in-store placement of the ALL OUT message.

Question

1. Why would hockey equipment consumers believe that CCM messages are creative?

The advertising message is an important part of an IMC program since it is designed to persuade consumers how the product can solve a problem, satisfy desires, or achieve goals. Advertising messages also create images or associations and establish a brand position as well as transform the experience of buying and/or using a product. These two points indicate how crucial advertising messages are for the success of the brand’s promotional effort. While most students may never design ads, everyone involved in marketing or promotion should understand the two broad decisions that underlie the development of advertising messages. The **creative strategy** determines *what* the advertising message communicates and **creative tactics** shows *how* the advertising message is executed.

This chapter focuses on advertising creativity and the three decisions comprising a creative strategy. First, the chapter summarizes the importance of advertising creativity and identifies the process of planning a creative strategy. It then describes approaches for determining the idea of the creative theme, which provides direction for attention-getting, distinctive, and memorable messages. Next, the chapter identifies the message appeals advertisers use to persuade consumers. Finally, it reviews the source characteristics advertisers typically use to alter consumers’ attitudes. The IMC planning section suggests ways to combine message appeals and source delivery.

LO1 Advertising Creativity

Upon determining the direction of the communications program, the advertising agency (or internal ad department) focuses on the appropriate creative approach for communicating a message that reinforces the brand positioning strategy. Good advertising creativity is central to determining the success of a product as it clearly contributes to a strong brand position with its intended target audience. The essence of advertising is its creativity, which requires a working definition to demonstrate its importance.

DEFINITION OF ADVERTISING CREATIVITY

EXHIBIT 7-1 Excellent advertising helps create an image for BMW automobiles.



Courtesy of BMW of North America, LLC

Creativity is probably the most interesting aspect of advertising for students, advertising practitioners, and consumers. All are intrigued by a creative ad and admire the insight it reflects when expressing a unique brand message. A great ad is a joy to behold and an epic to create, with the cost of producing a TV commercial potentially hitting \$1 million. Companies see money spent on advertising and other forms of marketing communication as good brand investment. They realize that the manner in which the advertising message is developed and executed is critical to the success of the promotion, which in turn influences the effectiveness of the entire marketing program. For example, BMW's creative messages over time firmly planted the idea of Ultimate Driving Experience in Canada and Ultimate Driving Machine in other countries (Exhibit 7-1).

As noted in **Chapter 2**, creative specialists who work at ad agencies or work within a company's advertising department develop creative ad campaigns. It is their job to combine their creative skills and understanding about the product's characteristics with information from marketing plans, communication plans containing communication objectives, and consumer research reports

into a creative concept that brings an advertising message to life. This begs the question: What is meant by *creativity* in advertising? **Advertising creativity** is the ability to generate fresh and unique ideas that effectively address marketing communication issues (e.g., problems or opportunities). This view is based on a summary of past research on the topic.¹ In addition, researchers now believe that advertising creativity is a result or a function of both ad divergence and ad relevance.² A significant study examining both ad divergence and ad relevance results from many other studies concluded that both aspects of creativity are important predictors for achieving communication effects.³

EXHIBIT 7-2 Advertising divergence by flexibility and synthesis occurs in this HSBC ad.



©The Advertising Archives/Alamy Stock Photo

Ad divergence is the extent to which an ad contains novel, different, or unusual characteristics. Advertising creativity is divergent in terms of *originality* (e.g., rare, surprising, or uncommon ideas), *flexibility* (e.g., different ideas), *elaboration* (e.g., unexpected ideas that become intricate, complicated, or sophisticated), *synthesis* (e.g., normally unrelated ideas that are combined or connected), and *artistic values* (e.g., ideas expressed verbally or visually).

Divergence is particularly important to attract

the target audience's attention since the message must break through media clutter. **Exhibit 7-2** shows an example of divergence in advertising through flexibility and synthesis. The flexibility occurs through the three views of a carpet while the synthesis emerges when relating the three points of view together to understand the concept of value, which is the brand characteristic communicated.

Ad relevance is the extent to which the ad elements are meaningful, useful, or valuable to the target audience. The implication is that the ad instantly captures the target audience's attention and generates critical brand associations through specific cognitive and emotional responses. The relevance is even more critical when an advertiser takes into account the selective attention of the target audience. Moreover, the creativity crystallizes the brand so that it is understood by the target audience, who is experiencing selective comprehension when faced with competing promotional messages. Extending this further, ad relevance is critical to establishing an important link to the brand, its benefits, and why the target audience would purchase it. In other

words, ad relevance clearly supports the brand positioning strategy. Ad relevance is composed of *ad to consumer relevance* and *brand to consumer relevance*. Ad to consumer relevance involves ad characteristics that are meaningful to the target audience, such as the celebrity spokesperson or imagery. Brand to consumer relevance concerns the target audience's personal interest in the product. This interest is derived from the information provided or the images conveyed, or the combination of both.

Cineplex's ad "Lily and the Snowman" (**Exhibit 7-3**) is a good example of ad relevance.⁴ It tells the story of a young girl's friendship with a snowman, who stays in the freezer during non-winter months, and how she rekindles the forgotten friendship later in life. The ad shows many scenes in which the pair watch movies on a big backyard screen, and ends with the message "Make time for what you love," the Cineplex logo, and the "See the Big Picture" slogan. Cineplex ran the campaign because of weak brand scores despite near universal awareness as consumers flocked to alternative avenues for viewing movies. The ad is relevant to lapsed movie enthusiasts since it re-created the magic of going to the cinema.

The historic Absolut vodka ads demonstrate relevance and divergence for good creativity. The original creative showed the distinctive shape of the bottle and depicted it with visual puns and witty headlines that played with the Absolut name.⁵ The agency and client jointly selected and customized the advertising campaign for the audience of each print magazine. It is recognized as a significant creative campaign, and stood the test of time for over 20 years until sales lagged. A revised creative relied on imagery using the tagline "In an Absolut World" and played off the brand name to illustrate an imagined world where everything is as ideal as Absolut vodka. The creativity challenged consumers to reflect on their world vision to maintain the brand as a cultural icon.⁶ Its latest global campaign uses the slogan "Create a better tomorrow, tonight" to appeal to younger consumers who spend time with a close group of friends.⁷ The campaign highlighted Absolut's historic distilling practices to provide a sustainability message and featured a contest for creative specialists to design ads. The brand provided a template with the bottle shape and new slogan so the contest ads would be consistent with the original campaign.⁸

EXHIBIT 7-3 Cineplex's creative ad communicated the feeling of cinema movie watching



©Cineplex/Zulu Alpha Kilo

IMPORTANCE OF ADVERTISING CREATIVITY

Perspectives on what constitutes creativity in advertising differ. At one extreme are people who argue that advertising is creative only if it sells the product. The impact of an advertising message or campaign on sales counts more than whether it is innovative. At the other end of the continuum are those who judge the creativity of an ad in terms of its artistic or aesthetic value and originality. They contend that creative ads break through the competitive clutter, grab the consumer's attention, and have a positive communication effect. Both perspectives indicate the importance of advertising creativity as it either presents a good public exposure or contributes to a brand positioning strategy and ultimately sales.

The growth of brands has highlighted the importance of advertising creativity leading to renewed investigations. Surveyed executives believe creativity has improved compared to the origin of modern-day advertising during the 1960s.⁹ The Leo Burnett agency and *Contagious Magazine* conduct worldwide research to uncover the success of the most creative advertising in traditional and newer evolving media, while others present new or reconfigured ideas to define creativity.¹⁰ In general, creative advertising messages help focus the receiver's attention on TV ads, allowing deeper processing and stronger recall and recognition.¹¹ Furthermore, this finding also extended to out-of-home media.¹²

Perspectives on advertising creativity split along marketing and artistic lines, as shown in one study.¹³ Product managers and account executives believe the primary purpose of ads is to communicate favourable impressions to the marketplace. They believe a commercial should be evaluated in terms of whether it fulfills the client's marketing and communicative objectives. Alternatively, creative specialists view ads as an expression of their personal aesthetics and an opportunity to communicate their unique creative talent with the hopes of career advancement. What constitutes creativity in advertising is probably somewhere between the two views. To break through the clutter and make an impression on the target audience, an ad must be unique and entertaining, as demonstrated in **Exhibit 7-4**.

EXHIBIT 7-4 This colourful and creative ad captures the attention of people walking by.



©Alistair Laming/Alamy Stock Photo

Research has shown that a major determinant of whether a commercial will be successful in changing brand preferences is its “likability,” or the viewer’s overall reaction.¹⁴ Advertising messages that are well designed and executed and generate emotional responses create positive feelings that are transferred to the product or service being advertised.¹⁵ Creative specialists believe this occurs if they are given considerable latitude in developing advertising messages, but purely creative ads might fail to communicate a relevant product message. In an attempt to resolve this discussion, research findings suggest that very creative advertising messages have additional positive brand communication effects (i.e., brand quality, brand interest) beyond recall and likability.¹⁶

However, the issue is unclear; one study found that the creative specialists themselves disagree on the merits of creativity. A survey of art directors and copywriters found that the former are more concerned with visual creativity, while the latter more strongly believe in message delivery.¹⁷ In the age of consumer-generated “advertising” messages, another study found that perceptions of creativity differ among advertising professionals and the general public.¹⁸ Research investigating the judging process of advertising awards (e.g., Cannes) found that the composition of the judges and the use of their own decision heuristics to identify creative ads greatly affected who won an award.¹⁹ In an experiment comparing the views of creative ads among creative specialists and external evaluators found discrepancy on the ad relevance and consistency on ad divergence.²⁰ Thus, it appears that everyone must keep a balanced perspective and open mind on the creativity of advertising messages.

Finally, studies conclude that advertising creativity impacts consumers’ cognitive, affective, and behavioural responses to advertising messages.²¹ Novel advertising requires consumer processing time, resulting in longer exposure and greater attention. Creative ads draw more attention to the advertised brand, and generate higher levels of recall, greater motivation to process the information, and deeper levels of processing.²² This suggests that clients should be less resistant to divergent approaches and that there is a need for divergent thinkers in the ad development process. Divergence is a particularly important component of advertising creativity; however, clients favour relevance over divergence as they want their agencies to create ads that communicate pertinent information such as specific product features and benefits. Considering that most advertising messages are seen and/or heard in a cluttered media environment where marketers compete for the attention of consumers, it is important that brand managers accept ads that are novel and divergent as well as relevant and meaningful. **IMC Perspective 7-1** describes the creative ads of the “VS” campaign for SickKids Hospital in Toronto.

IMC PERSPECTIVE 7-1

CREATIVITY OF SICKKIDS VS^B

The Hospital for Sick Children in Toronto Foundation (SickKids) faced flattening donations from older donors with a female skew, and research showed that the existing ads focused on heart-tugging and emotional messages would not acquire new donors. SickKids needed a new creative approach to launch the largest fundraising campaign ever.

In October 2016, SickKids surprised Toronto and the world with a stunning two-minute video, “SickKids VS: Undeniable,” showing its patients and medical staff fighting against a range of childhood illnesses. SickKids altered the previous images of sad children in need of help to dynamic images of resilient children overcoming their illness with strength. The video ended with the SickKids VS brand identification and cut to a super and call to action to support fundraising.

The SickKids “VS” campaign continued a year later with “All In,” and other messages occurred in subsequent years; “Join Your Crew” in 2018, “Limits” in 2019, “One Million Strong” in 2020, and “Be a Light” and “The Brave List” in 2021. The significance of the messages is the adoption of both ad divergence and ad relevance. In addition, the VS identity and theme provides a consistent image for the unique direction of individual messages. For example, while the above messages evoked significant emotions associated with the children overcoming

adversity, SickKids used the VS theme for its lottery ticket sales with a humorous message.



LouiesWorld1/Shutterstock

The “Join Your Crew” message showed the collectivity of numerous communities who supported SickKids. A montage of images showed groups such as artists, chefs, cosplayers, dog people, lifters, roller derbies, street meats, wrappers, cyclists, fashionistas, road runners, straight razors, ballers, and firefighters. Despite having different

lifestyles, they are all united in supporting SickKids. The “Limits” message presented many scenes of children raising money for other children. The message ended with a call to action for children to go online to learn about fundraising for the hospital.

The “One Million Strong” message symbolically demonstrated beads flowing through the air from a variety of hospital sources to arrive all joined together around a young girl’s neck. The message indicated that 1 million patients earned their bead and that SickKids required a few more donors to achieve 1 million donors to join them. The beads symbolized a badge of honour that patients earned through their strength and resilience. Continuation of the beads imagery occurred with a sculpture at the hospital and replicas installed in various public locations. The message and installations provided imagery and activation support as a lead in for extensive digital messages to obtain donations.

The “Be a Light” message illuminated the experiences of families as they experienced the shock of learning about their child’s diagnosis or the disbelief of seeing their child suffering from trauma. The ad’s imagery visually showed a darkness emanating from the source of the news but eventually receding with the light arising from all the supportive people at SickKids. “The Brave List” message transformed the story of Santa’s naughty and nice list in a creative direction. The voiceover and imagery indicated that such a list did not exist at SickKids since all patients appeared on the hospital’s brave list.

QUESTION

1. How do SickKids’ messages achieve both ad divergence and ad relevance?

LO2 Planning Creative Strategy

Creative specialists use research, creative briefs, strategy statements, communications objectives, and other input and transform it all into an advertising message. Their job is to write copy, design layouts and illustrations, produce video messages, or program interactive digital media that effectively communicate the central theme on which the campaign or IMC program is based. Rather than simply stating a product’s features or benefits, they transform an advertising message into an approach that captures the audience’s interest and makes the brand and the ad instantly memorable. This section describes the creative challenge, illustrates the creative process, summarizes the job of an account planner, identifies forms of research for creative decision making, and summarizes the end results—the creative brief and advertising campaign—when planning for creative promotional communication.

CREATIVE CHALLENGE

The job of the creative team is challenging because every marketing situation is different and each campaign or advertisement may require a different creative approach. Numerous guidelines have been developed for creating effective advertising.²³ Creative people follow proven formulas when creating ads because clients feel uncomfortable with advertising that is too different. An ad executive commented years ago, “Very few clients realize that the reason that their work is so bad is that they are the ones who commandeered it and directed it to be that way. I think that at least 50% of an agency’s successful work resides in the client.”²⁴ Decades later, empirical research supports this practitioner’s point of view.²⁵

One agency that has been successful in getting its clients to take risks is Rethink, best known for its excellent creative work for IKEA, WestJet, and A&W. The agency’s founders feel that a key element in its success is a steadfast belief in taking risks when most agencies and their clients have been retrenching and becoming more conservative. The agency develops great advertising partly because its clients are willing to take risks and agree with the agency’s approach of listening to its client and arriving at a creative solution for the marketing communication problem or opportunity. Empirical research concludes that risk-taking agencies have an orientation to taking risks as a direction from senior management, a creative philosophy to enhance their creative reputation, and an acceptance of working with uncertainty.²⁶

Not all agree that effective advertising requires taking a risk with their creativity. Marketing managers accept advertising that simply communicates product features and benefits and gives the consumer a reason to buy. They see their ad campaigns as investments whose goal is to sell the product rather than to finance the whims of their agency’s creative staff. They argue that creative people occasionally lose sight of advertising’s bottom line: Does it sell? An Old Spice campaign shown in **Exhibit 7-5**

EXHIBIT 7-5 Old Spice rejuvenated its brand with quirky ads that continue to be run.



Old Spice by Procter & Gamble

is an example where the ads demonstrated creative flair with quirky executions and contributed to increased sales. Unusual and unique creative approaches continued for many years and established the brand as a popular option to consider purchasing.

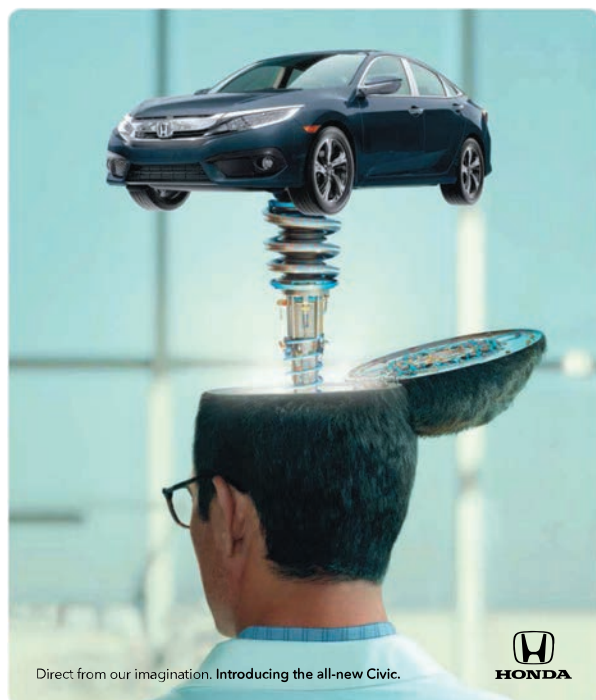
CREATIVE PROCESS

Creativity seen in advertising is the fruition of creative specialists' work, and the success of their creative ideas likely occurs when following an organized approach. James Webb Young, a former creative vice-president at the J. Walter Thompson agency, proposed a five-stage approach (shown in **Figure 7-1**) that still remains a useful reference.²⁷ A creative process model like this is valuable to those working in the creative area of advertising, since it offers an organized approach to address an advertising issue (e.g., problem or opportunity). The model illustrates that creative advertising results from significant work occurring over a considerable amount of time. It also demonstrates that working on a particular marketing communication issue is a challenging problem-solving activity.

Figure 7-1 Stages of creative process

Immersion	Read background information regarding the problem.
Digestion	Work the information over in one's mind.
Incubation	Get away and let ideas develop.
Illumination	See the light or solution with the birth of the idea.
Verification	Study and refine the idea to see if it is a practical solution.

EXHIBIT 7-6 Creativity sparks from any avenue.



Source: American Honda Motor Co., Inc. and Rubin Postaer and Associates

Young's model does not say how this information is synthesized and used by the creative specialist, because this part of the process is unique to the individuals within the creative team. An investigation along these lines reveals four individual factors: orientation toward the creative work, approach to the communication problems, mind-scribing (i.e., free-flow thinking), and heuristics (i.e., quick creative decision rules).²⁸ A study of advertising copywriters found that they work without guidance from any formal theories of communication. However, those interviewed claimed to use similar informal, implicit theories that guide them in creating ads. These theories are based on finding ways to break through the ad clutter, open the consciousness of consumers, and connect with them to deliver the message.²⁹ A recent investigation applying Young's view identified signification use of Internet search technology by creative specialists to obtain information and discover creative inspiration. However, the personalization features of the technology limited the resource to open unexplored avenues.³⁰

However, advertising creativity is not the exclusive domain of creative specialists, as creative thinking is done by everyone involved when planning creative strategy. Agency people (i.e., account executives, media planners, researchers, account planners) and those on the client side (i.e., marketing and brand managers) all seek creative solutions to problems encountered in planning, developing, and executing an advertising campaign. It is also important that those working on the client side do not create a relationship with their agencies that inhibits the creative processes required to produce good advertising. Highly skilled creative specialists aspire

to work with open-minded clients who are receptive to new ideas, and they note that some of the best creative work developed by agencies does not get used because clients are resistant to taking creative risks unless they are under pressure to perform.³¹ Advertising agencies, as well as other IMC specialist organizations, thrive on creativity as it is at the heart of what they do and they institute a cultural environment that fosters creative thinking and the development of creative advertising. **Exhibit 7-6** illustrates a creative ad showing the creative process in car design. Clients are expected to understand the

differences between the perspectives of the creative personnel and marketing and product managers. While the client has ultimate approval of the advertising, respect of the creative specialists' opinions is expected when evaluating advertising ideas and content.

ACCOUNT PLANNING

To facilitate the creative process, agencies use **account planning**, which involves conducting research and gathering all relevant information about a client's product or service, brand, and consumers in the target audience. Jon Steel, a former vice-president and director of account planning, has written an excellent book on the process, entitled *Truth, Lies and Advertising: The Art of Account Planning*.³² He notes that the account planner's job is to provide the key decision makers with all the information they require to make an intelligent decision. According to Steel, "Planners may have to work very hard to influence the way that the advertising turns out, carefully laying out a strategic foundation with the client, handing over tidbits of information to creative people when, in their judgment, that information will have the greatest impact, giving feedback on ideas, and hopefully adding ideas of their own."

Account planning assists creative strategy development by driving the process from the customer's point of view. Planners work with the client as well as other agency personnel, such as the creative team and media specialists, and discuss how their knowledge and information contributes to creative strategy development. Account planners are usually responsible for all the research (both qualitative and quantitative) conducted during the creative strategy development process. They search for insights using various mechanisms, such as conducting consumer research; tapping into their personal domain knowledge, including experiences and observations; and challenging conventions, such as the nature of consumer decision making and consumers' relationships with a brand.³³ Account planning has evolved considerably such that agencies and clients see it as part of the strategic creative process with a clear understanding of how to evaluate the performance of all personnel involved.³⁴ The following section examines how research and information provides input to the creative process of advertising.

RESEARCH IN THE CREATIVE PROCESS

Background research starts the creative process, and the creative specialists of the agency learn as much as possible about the product, the target audience, the competition, and any other relevant information from the client's marketing plan and advertising plan. Alternatively, clients provide their agency with a client brief that recapitulates their internal planning documents and adds additional information that gives the creative specialists an idea as to the direction of the brand positioning strategy. The Institute of Communications and Advertising produces a best practices document that shows brand managers how to construct a client brief that serves the needs of both parties, thus encouraging more creative advertising. From this, the creative specialists acquire additional information by reading product or market articles; talking to marketing personnel, designers, engineers, and consumers; visiting stores; using the product; or even working in the client's business.

General pre-planning input includes books, periodicals, trade publications, scholarly journals, pictures, and clipping services, which gather and organize magazine and newspaper articles on the product, the market, and the competition, including the latter's ads. Information is available from a variety of sources, including local, provincial, and federal governments, secondary research suppliers, and industry trade associations, as well as advertising and media organizations that publish research reports and newsletters. Those involved in developing creative strategy also gather relevant and timely information by reading the Canadian publication *Strategy*, and American publications like *Adweek* and *Advertising Age*.

Product-specific pre-planning input is information that includes specific studies conducted on how consumers buy and consume the product and/or characteristics of the target audience regarding extensive consumer behaviour variables. Additional research summarizes market and competitive trends. This type of research includes both quantitative research and qualitative research.

Quantitative research includes attitude studies, market structure, and positioning studies such as perceptual mapping and psychographic or lifestyle profiles that provide a descriptive understanding of consumer behaviour. As noted in **Chapter 3**, agencies or affiliated research companies conduct psychographic studies annually and construct detailed psychographic or lifestyle profiles of product users. Dove conducted one of the more significant research studies prior to launching the "Campaign for Real Beauty." The research involved personal interviews and sampled women from many countries regarding their attitudes toward beauty with a survey methodology.

Qualitative research includes methods like in-depth interviews, projective techniques, association tests, and focus groups, as shown in **Figure 7-2**. During the creative process, these research methods provide useful information for assessing how and why consumers buy, consume, and use products. As such, the methods are sometimes referred to as motivation research. Focus group and in-depth interview methods are valuable for gaining insights into consumers' feelings. Projective techniques may be the only way to understand consumer behaviour without receiving stereotypical or socially desirable responses.

Association tests uncover spontaneous reactions, which reveal consumers' thoughts and feelings associated with their motives. Note the limitations of qualitative research: The low number of participants means the findings are not generalizable to the whole population, so the results may reveal idiosyncrasies of a few individuals. Still, it is difficult to ignore qualitative research, especially focus groups, since the resulting consumer insight inspires advertising messages aimed at buyers' deeply rooted feelings, hopes, aspirations, and fears.

Figure 7-2 Qualitative marketing research methods employed to obtain consumer insight

In-depth interviews	Face-to-face situations in which an interviewer asks a consumer to talk freely in an unstructured interview using specific questions designed to obtain insights into their motives, ideas, or opinions
Projective techniques	Efforts designed to gain insights into consumers' values, motives, attitudes, or needs that are difficult to express or identify by having them project these internal states upon an external object
Association tests	Individuals are asked to respond with the first thing that comes to mind when presented with a stimulus (e.g., word, picture, ad).
Focus groups	A small number of people with similar backgrounds or interests are brought together to discuss a particular product, idea, or issue

EXHIBIT 7-7 Marketers gain insight into consumers' reactions to a commercial by showing them a storyboard.



Courtesy of The Lambesis Agency

Focus groups are a research method used both early and later in the creative process. Consumers (usually 10 to 12 people) from the target audience are led through a discussion regarding a particular topic. Focus groups provides insight as to why and how consumers buy, use, and consume a product, what is important to them in choosing a brand, what they like and don't like about products, and any special needs that aren't being satisfied. Focus groups bring the creative people and others involved in creative strategy development into contact with the customers. Listening to a focus group gives copywriters, art directors, and other creative specialists a better sense of who the target audience is, what the audience is like, and to whom the creatives need to write, design, or direct in creating an advertising message.

Evaluative research may occur toward the end of the creative process, where members of the target audience evaluate rough creative layouts and indicate what meaning they get from the ad, what they think of its execution, or how the ad makes them feel. This preliminary research often occurs in a focus group session. The creative team gains insight into how a TV commercial or online video communicates its message by having members of the target audience evaluate the ad in storyboard form. A **storyboard** is a series of drawings used to present the visual plan or layout of a proposed commercial. It contains a series of sketches of key frames or scenes along with the copy or audio portion for each scene (**Exhibit 7-7**).

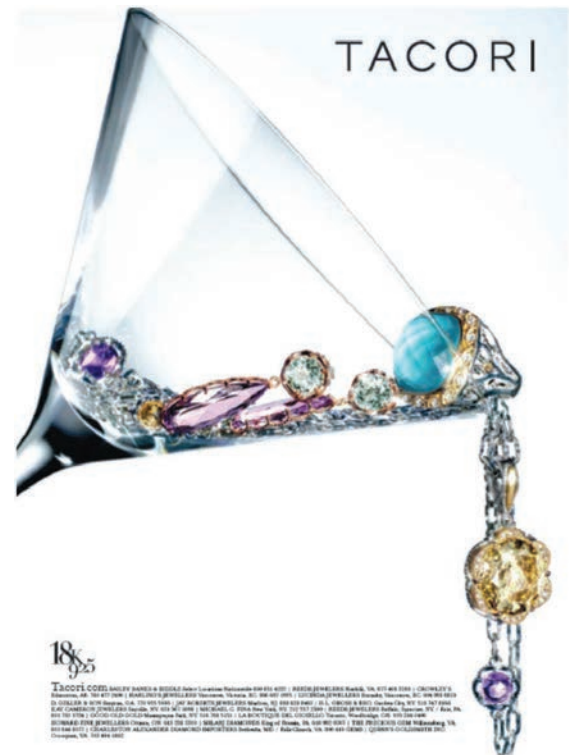
Evaluating a commercial in storyboard form is challenging because the abstract images and words are much different than the finished product consumers usually understand. To make the creative layout more realistic and easier to evaluate, the agency may produce an **animatic**, a video of the storyboard along with an audio soundtrack. Storyboards and animatics are useful for research purposes as well as for presenting the creative idea to other agency personnel or to the client for discussion and approval. At this stage, the creative team attempts to find the best creative strategy before moving ahead with the actual ad production. The process may conclude with more formal, extensive pre-testing of the ad before a final decision is made. Pre-testing and related procedures are examined in detail in **Chapter 9**.

CREATIVE BRIEF

The written **creative brief** specifies the elements of the creative strategy and other relevant information. The creative brief may have other names depending upon the agency, such as creative platform, creative blueprint, creative contract, or copy platform. Essentially, it is a plan that summarizes the entire creative approach that is agreed upon by the creative team and the marketing managers. For example, the creative brief might be written by an agency's account representative or an account planner with input from other specialists from all areas (e.g., creative, media, research, digital, etc.) and approved by the client's marketing communications or brand manager. **Figure 7-3** shows a sample creative brief outline. Just as there are different names for the creative brief, there are variations in the outline and format used and in the level of detail included. The creative brief for the Tacori ad in **Exhibit 7-8** called for a strategy of positioning the 18K925 brand as the ultimate expression of passion, with modern, accessible style and lasting quality.

The first three sections of the creative brief are derived from the marketing plan and prior communication between the creative specialists and brand managers. The planning framework of this text, shown in **Chapter 1**, also supports all sections of this creative brief illustration. **Chapter 1** highlighted the importance of the marketing plan for promotional planning, which provides sufficient background on the nature of the communication problem or opportunity. **Chapter 3** described important aspects of consumer behaviour along with options for target audience selection and guidelines for a target audience profile. Combined, **Chapters 4** and **5** explained the usefulness of response models and communication objectives that guide remaining decisions. **Chapter 6** indicated different brand positioning options that creative specialists might propose as communication solutions. The rest of this chapter describes the creative strategy decisions that the creative specialists focus on when developing ad executions upon finalizing the creative brief. Creative briefs may include supporting information and requirements that should always appear in order to ensure uniformity across multiple campaign ads. In the end, the creative brief is a written document so that the creative specialists and all others in the creative process do not experience communication problems that may lead to poor advertising. It should be concise enough that all participants can read it quickly, and yet detailed enough to demonstrate the creativity of the campaign.

EXHIBIT 7-8 Tacori's positioning called for 18K925 to be the ultimate expression of passion.



Source: Tacori

ADVERTISING CAMPAIGN

An **advertising campaign** is a set of interrelated and coordinated marketing communication activities that centre on a single theme or idea. A campaign appears in different media and IMC programs across a specified time period. Advertising campaign plans are short-term in nature and, like marketing and IMC plans, are done on an annual basis. However, the campaign themes are usually developed with the intention of being used for a longer time period. Thus far creativity is viewed as advertising creativity since this is the history and origin of creativity in marketing communication. However, creativity is an important facet in all aspects of promotion, even if there is not accompanying advertising in the campaign. Promotional elements like sponsorship of a good cause will have supporting advertising. And digital communication, whether one classifies it as advertising or advertising-like, contains creativity—big time!

Figure 7-3 Creative brief outline

1. Basic problem or opportunity the advertising addresses
2. Target audience(s) and behaviour objective(s)
3. Communication objectives
4. Brand positioning strategy statement
5. Creative strategy (creative theme, message appeal, source characteristic)
6. Supporting information and requirements

Multiple executions are required in order for a creative message to be considered a campaign. The number of executions will depend on the creative specialists and clients before approval of a campaign occurs, but generally the creative idea driving the message needs at least three executions to tell the story. This notion is based on the “rule of three,” where stories or jokes require three episodes for complete understanding; progression occurs as tension is created, built up, and then released with the unfolding of the message. This “rule” is more an observed pattern across many walks of life with respect to communication, rather than scientifically proven; however, it is consistent with how often a consumer needs to receive a message in media planning.

EXHIBIT 7-9 Molson’s red beer fridge proved to be a winning visual for its campaign.



©Molson Coors Canada

With the ads for Molson Canadian, the “rule” works by telling a story across a few executions over time. Ten years after retiring the “I Am Canadian” campaign, Molson Canadian relaunched it. The 90-second online ad and shortened 30-second TV ad showed a red Canadian fridge in public locations in the United Kingdom, France, and Belgium, with one catch: Locals could not open the fridge unless they inserted a Canadian passport into a slot. Eventually a friendly Canadian appeared and opened the door to reveal Molson Canadian beer for everyone.³⁵ A return of the previous campaign rejuvenated the patriotic culture of the brand, as the ad and its red fridge with the white maple leaf symbolized Canadians’ national pride (**Exhibit 7-9**).

Molson followed up with a three-minute ad during the World Junior Hockey Championship broadcast on Boxing Day six months later. The ad showed two friends travelling from Ottawa to Indonesia with a similar red fridge as a gift to their friend living there who experienced difficulty in seeing hockey games. Success of the red fridge encouraged Molson to keep one in Canada House at the Sochi Olympics in early 2014. Sales improved shortly after the release of these messages and Molson Canadian gained slightly from its 6.4% market share while the overall beer category declined in sales.³⁶

For Canada Day 2014, the beer fridge would open for Canadians who could sing a passable version of our national anthem. Set at a bar called the Great Canadian Cabin, in Ottawa’s Byward Market, Molson’s two-minute online video was displayed in multiple social media vehicles. A goal of the holiday messaging was to encourage consumers to believe that “this is the brand of beer to drink on Canada Day,” such that it is almost unpatriotic to quaff any other kind of beer on that day.³⁷ For Canada Day 2015, the beer fridge would open for Canadians who could say the slogan in six languages, with the likely expectation that a group of friends would be teamed up to fulfill the request using Google’s speech-to-text recognition software. The new fridge along with the others illustrated a trend of agencies using technology for their clients as part of the creative theme.³⁸

Molson’s adoption of an optical reader to scan the passport, and additional methods in other years, is an example of brands using technology as a central part of their campaign. Research summarizing this trend found over 80 examples in their sample of award-winning campaigns, including this one. The frequently used technologies included virtual reality/interactive, image scanning, mapping, motion detection, and engineering.³⁹

LO3 Creative Theme

Determining the unifying theme of a campaign is a critical decision to set the tone for all marketing communication, such as sales promotion or digital applications. The **creative theme** is a strong idea that represents the central message of a marketing communication program, reflects the market positioning strategy, and communicates the brand positioning strategy to its intended target audience. This section describes four topics related to the creative theme decision: approaches to determine the creative theme; ideas for slogans to reinforce brand positioning and/or creative theme; issues of consistency of the creative theme across the promotional program; and uniqueness of Canadian creative advertising.

ORIGIN OF CREATIVE THEME

The creative team is provided with the challenge of deciding upon the strong or “big” idea of the creative theme that attracts the consumer’s attention, gets a response, and sets the advertiser’s product or service apart from the competition. The *big idea* is “that flash of insight that synthesizes the purpose of the strategy, joins the product benefit with consumer desire in a fresh, involving way, brings the subject to life, and makes the reader or audience stop, look, and listen.”⁴⁰ From another perspective, a theme arises from a story, and advertising creative is much like a storytelling process of the brand, its history, and its meaning that goes beyond the basic communication of product performance.⁴¹ It is difficult to pinpoint the inspiration for a big idea or to teach advertising people how to find one. However, these approaches guide the creative team’s search for a creative theme: unique selling proposition, brand image, inherent drama, positioning, and storytelling.

Unique Selling Proposition

The concept of the **unique selling proposition (USP)** was developed by Rosser Reeves, former chair of the Ted Bates agency, and is described in his influential book *Reality in Advertising*. Reeves noted three characteristics of unique selling propositions:

1. Each advertisement makes a proposition to the consumer that they will receive a specific benefit if they purchase the product.
2. The proposition is a unique benefit claim in the market, or is a unique product compared to competitors.
3. The proposition is sufficiently persuasive to attract new customers to the brand.⁴²

The attribute claim or benefit that forms the basis of the USP dominates the ad and is emphasized throughout the ad and through repetitive media exposure. For this approach to work, there must be a unique product or service attribute, benefit, or inherent advantage that is identified in the claim. The approach may require considerable research on the product and consumers, not only to determine the USP but also to document the claim. An example of an ad based on a USP is the ThermaCare message in **Exhibit 7-10** which claims that the product heals effectively.

EXHIBIT 7-10 ThermaCare uses a unique selling proposition.



Source: ThermaCare

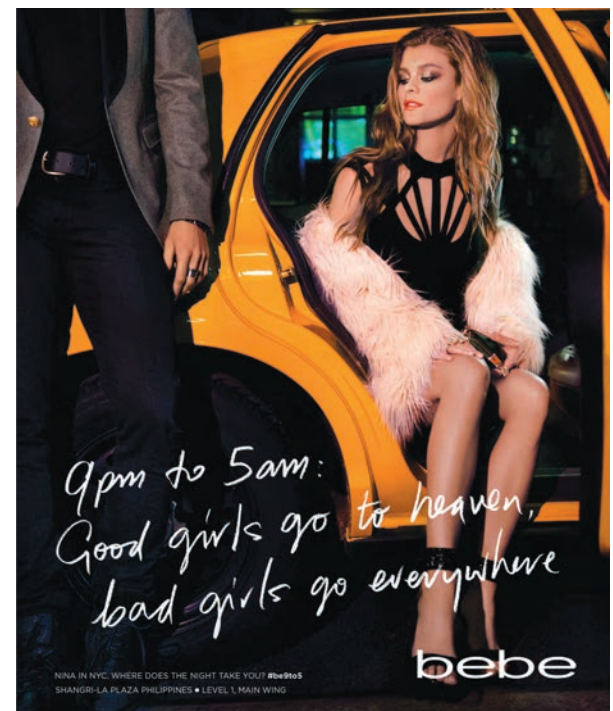
Brand Image

Competing brands in many product and service categories are so similar that it is a challenge to communicate a unique attribute or benefit. For example, packaged goods may be difficult to differentiate on a functional or performance basis and promotional planners look to a more intangible approach to creatively express product uniqueness. The creative theme used to communicate these products is based on the development of a memorable identity for the brand through **image advertising**.

David Ogilvy popularized the idea of brand image in his famous book *Confessions of an Advertising Man*. Ogilvy said that with image advertising, “every advertisement should be thought of as a contribution to the complex symbol which is the brand image.” He argued that the image or personality of the brand is particularly important when brands are similar. Image advertising is designed to give a brand a unique association and create a certain feeling that is activated when a person consumes the brand. The key to successful image advertising is developing an image that will appeal to product users. For example the Bebe ad in **Exhibit 7-11** gives the fashion brand a distinctive look for its line of clothing.

One method of image development is through literary devices such as metaphor to create the symbolism. A metaphor is concrete (e.g., direct, obvious) or abstract (e.g., indirect, interpretive) and links two dissimilar objects with an analogy made by the receiver. In an ad, this involves both visual and copy elements in which consumers interpret the message by transferring meaning from the metaphor to the brand. Visual metaphor types in advertising are juxtaposition, replacement, or fusion. Research using this view concluded that ads with a metaphor performed more strongly than

EXHIBIT 7-11 Bebe uses advertising to build an image as a sexy and stylish brand.

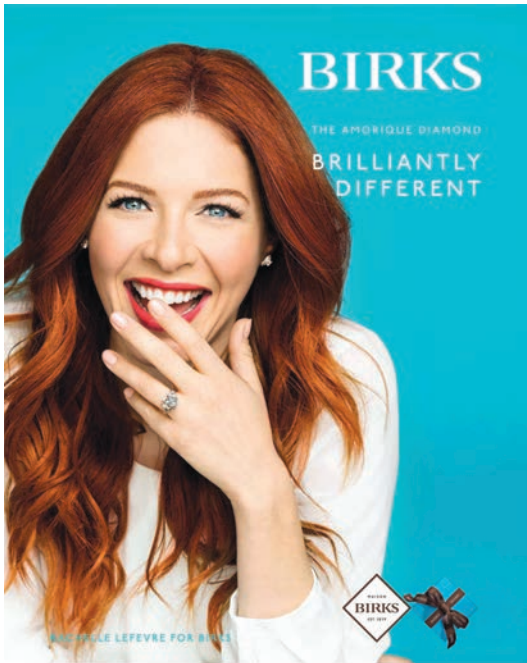


Source: Bebe Stores, Inc.

those without a metaphor, although different effects emerged for different product types and consumers.⁴³ Selecting the right metaphor is a challenging decision as consumers have difficulty discovering the references within a metaphor.⁴⁴ Simpler metaphors contribute toward higher levels of ad comprehension and ad appreciation compared to ads that do not have metaphors or ads with complex metaphors, giving support for advertisers to consider their usage.⁴⁵

Inherent Drama

EXHIBIT 7-12 The emotional expression of the woman conveys a dramatic point in a familiar storyline.



Norman Wong/BIRKS GROUP INC./Newscom

Another approach to determining the creative theme is finding the **inherent drama** or characteristic of the product that makes the consumer purchase it. The inherent drama approach expresses the advertising philosophy of Leo Burnett, founder of the Leo Burnett Agency, who said inherent drama “is often hard to find but it is always there, and once found it is the most interesting and believable of all advertising appeals.”⁴⁶ Burnett believed advertising should be based on a foundation of consumer benefits with an emphasis on the dramatic element in expressing those benefits. Academic research generally concludes that inherent drama ads contribute to positive cognitive and emotional responses leading to positive attitudes to both the ad and brand, although there is variation due to type of product on the processing and the level of receiver involvement on the attitudes.⁴⁷

Inniskillin desired to sway millennials toward the brand, and its creative theme is inspired by an inherent drama approach. Established in the 1970s, Inniskillin is a brand of wine based in Ontario that is exported to 85 countries. Its founders faced numerous obstacles when establishing the company and contributing to the development of the Canadian wine industry. Its agency developed a stylish video message in a movie trailer style to dramatically show the brand growing and overcoming the hurdles of building a business. The dramatic moment showed Inniskillin winning a wine-tasting award, much to the chagrin of the established wine competitors.⁴⁸

The ad in **Exhibit 7-12** shows one moment of the story of a happy couple celebrating their love for one another. The woman’s facial reaction that exudes surprise and happiness, along with her body language, provides a snippet of an emotional event in this dramatic expression of becoming engaged.

Positioning

EXHIBIT 7-13 Special K’s nutrition positioning strategy inspired a creative theme of empowerment.



Source: Kellogg Co.

As identified in **Chapter 6**, advertising establishes or maintains the target audience’s brand position. And the brand positioning strategy gives direction for the creative strategy, so it becomes an inspiration for the creative theme. Positioning is the basis of a firm’s creative strategy when it has multiple brands competing in the same product category, such as Procter & Gamble, who establishes a unique positioning strategy for each of their laundry detergent brands. Applying this to another product category example, Special K’s brand positioning strategy shown in **Exhibit 7-13** focused on nutritional benefits instead of its historical diet benefits. This new positioning strategy contributed to a new creative theme of empowerment, highlighted by the hashtag slogan.

Trout and Ries originally described positioning as the image consumers had of the brand in relation to competing brands in the product or service category, but the concept has been expanded beyond direct compet-

itive positioning.⁴⁹ As discussed in **Chapter 6**, products are positioned on the basis of end benefit, brand name, usage situation, or product category. Any of these sparks a theme that becomes the basis of the creative strategy and results in the brand’s occupying a particular place in the minds of the target audience. Since brand positioning is done on the basis of a distinctive attribute, the positioning and unique selling proposition approaches might overlap.

Storytelling

Digital transmission of video provided brands with an opportunity to create longer messages known as *short films* of three to five minutes. For example, BMW released a four-minute video of a promotion entitled “DareTO” which tracked contestants performing adventurous tasks and showcased the vehicles. HelloFresh created a series of soap opera stories showing the

features of its meal kits.⁵⁰ Storytelling ads have a defined sequence of events featuring plot, characters, climax, and outcome. Online viewers are drawn to this branded message rather than interrupted by a commercial while consuming media. In some ways, storytelling is a new version of the inherent drama, but with a different point of view of focusing on the people in the many settings instead of strictly a dramatic scene. Some executions extended storytelling to longer full-length “brand stories” ranging from 30 to 60 minutes. Nike and Red Bull develop long-form branded content with a storytelling approach to be placed in many digital environments to reach specific audiences.⁵¹ Research on this topic concluded that storytelling creative that includes factual product information still remains effective in terms of immersing viewers into the story or the characters, leading to stronger online sharing of the video.⁵² Other research examining the print ads of luxury brands identified significant use of storytelling to communicate aspirational consumer motives.⁵³

President’s Choice adapted the storytelling approach with a trilogy of long ads with its #EatTogether message.⁵⁴ The first told the story of two women who set up a potluck dinner table in the hallway of their apartment building. The two hosts invited neighbours, who joined with their own food until the hallway was filled. Set to the song “What the World Needs Now Is Love,” the non-speaking visual video ad ended with a short written copy (“Nothing brings us together like eating together”) and the slogan “Crave More” along with the brand’s logo. The second story focused on the treasured moments a woman experiences when eating with family and friends throughout her life. The story wrapped up with the young woman eating at her desk by herself, as does everyone else in the office. Set to the song “I Got You Babe,” this visual video also ended with a short written copy (“We grow up eating together. Why do we stop? This year, let’s #EatTogether”) and then the brand logo and slogan. The third told the story of all humans who dream to live the life they desire. In this case, the visuals showed adventurous and pleasurable life experiences. But instead of a catchy song, viewers heard the voice of philosopher Alan Watts reciting part of his “Dreams of Life” speech, along with moving background music. His conclusion coincided with visuals of a family eating together, as Watts stated that we dream to be where we are right now. Collectively, the three ads represent storytelling across multiple executions, quite a creative innovation!

CAMPAIGN SLOGANS

The theme for the advertising campaign is usually expressed through a **slogan/tagline** that reduces the key idea into a few words or a brief statement. The advertising slogan serves as a summation line that succinctly expresses the brand positioning strategy, as well as the message it is trying to deliver to the target audience. The slogan usually appears in every advertisement and is often used in other forms of marketing communications to serve as a reminder of, and to reinforce, the marketer’s branding message.

In general, a brand determines its slogan after evaluating options and possibly testing them with consumers prior to campaign launch. Interestingly, BioSteel’s slogan shown in **Exhibit 7-14**, #drinkthepink, arose from consumers. Brand imagery and related imagery circulating on social media encouraged consumers to seek out BioSteel’s innovative high-performance sports drink. Prior to this, personal contacts and word-of-mouth encouraged professional athletes to try it. Sales occurred directly to professional sports teams since athletes requested it after receiving samples and seeing the effects. TV exposure of athletes consuming the product paved the way, and from that and social media, the slogan emerged.⁵⁵

What constitutes a good slogan? All of the following suggestions are not possible for a single slogan, but they offer guidance when making a final decision. Characteristics pertain to the brand attitude objectives, include a key benefit, differentiate the brand, evoke positive feelings, reflect brand personality, and be believable and likable. Others pertain to brand awareness objectives: be memorable, and recall brand name. Additionally, slogans are oriented strategically, campaignable, and competitive. Finally, aesthetics are important as slogans should be original, simple, neat/cool, and positive.⁵⁶

Canadian advertisers continually develop slogans, and it is interesting to examine some to figure out whether they meet these criteria. WestJet’s new slogan (“Love Where You’re Going”) reinforces its market positioning strategy as a global airline.⁵⁷ The slogan also fits well with its brand positioning strategy to switch customers away from Air Canada. Steam Whistle Brewing’s slogan (“Canada’s Premium Beer”) defends the brand against imported brands, especially notable American ones like Budweiser.⁵⁸ The new slogan for Rogers (“Make More Possible”) is shown for all of its product lines and resonates with more target groups.⁵⁹ Finally, an empirical study that examined six variables concluded that shorter and long-lasting slogans that received high levels of media weight tended to produce higher levels of brand recall.⁶⁰

EXHIBIT 7-14 BioSteel’s #drinkthepink is prominent for brand positioning.

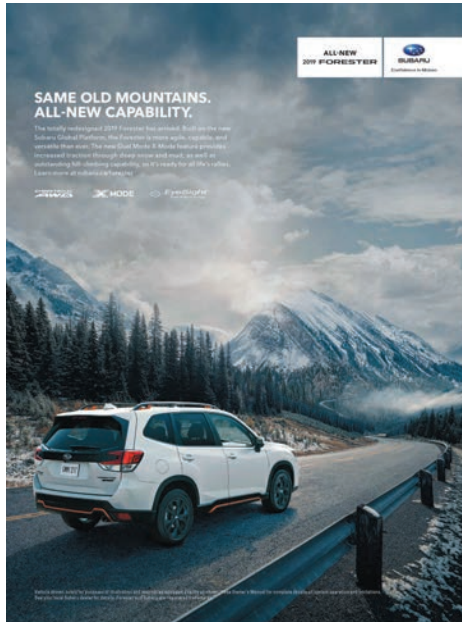


©BioSteel Sports Nutrition Inc.

CREATIVE THEME CONSISTENCY

Consistency in promotional creativity is generally regarded as a key success factor so that the target audience retains the brand position. Examples of consistency in the creative theme across time, creative execution, advertising media, promotional programs, and products are suggested. The essential point is that when the target audience is exposed to a series of messages across different contexts, the creative theme does not change to reinforce the brand positioning strategy. Deviation of the theme allows the possibility that the target audience processes the message alternatively and arrives at a different interpretation of the brand.

EXHIBIT 7-15 Subaru maintains consistency in the creative execution of the two ads with different messages.



©Subaru Canada Inc. - photographer, Chris Gordaneer/Westside Studio

Consistency: Time

Advertising or communication plans are generally done on an annual basis, thus the creative theme is often short-term in nature. However, the creative themes are usually developed with the intention of being used for a longer time period. While marketers might change their campaign themes often, a successful creative theme may last for years. A consistent creative theme across time builds on the established awareness of the brand's current customers by encouraging continued processing of future advertising messages. Moreover, the familiarity of the creative theme is recognizable to a brand's non-customers when they may be entering the product category or considering switching their purchases.

A&W's creative theme during the 2010s featured its commitment to innovation in the mature quick service restaurant market. Its achievements included using meat raised without hormones, steroids, or antibiotics; minimizing waste through less packaging; reformulating its root beer with cane sugar; offering a plant-based burger; and being the first company to offer non-plastic straws. The brand continued with the same spokesperson used since 2001 to ensure consistency with the presentation of this new theme.⁶¹

Consistency: Creative Execution

An advertising campaign features a series of creative executions over time where most ads "look and feel" very similar. Telus TV ads for over 20 years represent the best Canadian example of the most consistent set of messages. Nature became the canvas for Telus when an advertising agency saw the simplicity of animals in its storytelling to deliver the proposition of "the future is friendly." The nature theme and critters made the brand feel friendly, likable, and approachable when set against the consistent white background, emotive music, brand identification, and the "Future is friendly" slogan. Over time, Telus ads featured insects, many exotic birds, frogs, lizards, penguins, monkeys, pot-bellied pigs, hippos, iguanas, bunnies, meerkats, hedgehogs, and fish. The consistency of animals abstractly representing the human behaviour of using the new phone features, accepting promotional offers, using the network coverage, and relying on customer service achieved significant communication effects. Telus adapted its nature theme beyond telecommunications to its newer health care and agriculture divisions, and recently complemented images of people in its creative strategy; however, the cute critters remained for brand identification. And it tweaked its slogan to "Let's make the future friendly" to reflect everyday adoption of technology and to fit its market expansion.⁶²

As a further illustration, **Exhibit 7-15** shows two ads for the Subaru Forester that appeared on the back cover of the same magazine in consecutive months. The consistency is that the vehicle is the same colour and is a focal point of the message. The headline and body copy have the same look. The copy highlights the key features of traction control and cargo capacity, which is supported with the situational visuals.

Consistency: Advertising Media

Often a successful creative theme is one that is amenable to more than one medium. For instance, the essence of creativity in a print ad is still captured in a follow-up radio ad. Or, the big idea found in a TV commercial transfers to an outdoor billboard. In both cases, the creativity of the initial media is seen in a supportive medium—one less central to the primary media, yet still important to continue exposing a similar idea to the target audience. Interestingly, this idea is difficult to convey with visual creative themes moving to radio. For a while, listeners heard a “friendly thought” from Telus that differed significantly from the nature theme portrayed in all visual media.

Consistency: IMC Programs

Using the advertising creative theme across the various promotional programs is an issue to be resolved. The argument for the same look and feel is pervasive. For example, skateboarding brand Vans opened the House of Vans, which gathers boarders together to experience all sorts of creative and cultural activities (e.g., art, tricks, clinics) associated with the lifestyle/sport. The marketing event reinforced the imagery of its historic advertising over time, and yet allowed the brand to evolve with those new to the scene.⁶³

Consistency: Products

The use of a consistent theme across all products is seen with Nissan’s Legends campaign. Replicating the look of a movie trailer, the ads for the Nissan Rogue and Qashqai show the cars thriving under adverse winter conditions to get passengers safely to their destination. One episode featured fearsome snowmen, while another showed winter attacking the vehicle on a dangerous mountain highway.⁶⁴

CANADIAN CREATIVE THEMES

The importance of unique creative advertising themes is found in the divergence of values between Canadians and Americans. Decades of consumer research by Environics researcher Michael Adams suggests that while the citizens of North America share similar aspects of society, the underlying values are quite distinct.⁶⁵ These unique Canadian values influence the motivation for consumption—Canadians buy products for what they can do for them, not what they say about them. Canadians favour experiences over possessions and are less inclined toward conspicuous consumption. For example, Canadians are more likely to believe that a car is basic transportation rather than a statement of personal style or image. Therefore, certain types of advertising messages are more palatable for Canadians since the underlying reasons for purchase are more accurately reflected in the dialogue of a commercial or the body copy of a print ad produced by Canadian advertisers. Newfoundland and Labrador Tourism showed spectacular and fascinating images of the province in ads across the country in its winning entry (**Exhibit 7-16**), demonstrating the success of Canadian advertising that accurately reflects our country.

EXHIBIT 7-16 A breathtaking image of Gros Morne National Park captivated Canadians in this award-winning campaign.



©Newfoundland and Labrador Tourism

Since brands advertising in Canada may be part of a North American or international marketing strategy, there is a tendency to standardize the creativity and the message. Therefore, planning a creative theme for international brands with marketing departments based in Canada involves obstacles and constraints. Canadian managers who market US brands in Canada experience pressure to run the same campaign in Canada that is run in the United States. While this obviously saves on production costs of new ads, the money saving is offset with lower sales due to messages not resonating with Canadian culture. Sometimes firms need to perform specific market research to demonstrate that a unique creative is warranted for the Canadian market.

Strategy is a trade magazine for the advertising industry that annually awards brands in a number of categories. *Strategy* awards recognize topics like creative catalyst, launch strategy, niche strategy, and turnaround strategy, to name a few. Another set of awards celebrates the agency of the year and the best design agency of the year, along with specialty awards for PR and digital. A third group pertains to shopper innovation and activation in which significant creativity is developed. A fourth category recognizes achievement in synthesis of advertising, technology, media, and content that reflects significant creativity. Finally, the marketing awards acknowledge an overall winner for best multimedia campaign, a winner for best single ad and campaign across all major media, and awards for nontraditional media, point-of-purchase, and public service announcements.

On a global level, the Cannes Lions International Festival of Creativity is considered the most prestigious awards competition for advertising and all types of marketing communication. The Cannes competition receives entries from international agencies hoping to win Lions (the name of the award) in many categories: communication, craft, entertainment, experience, health, impact, innovation, and research. These titles indicate a shift from the historical approach of awarding Lions for best creativity in each type of media. Over the years, Canadian advertising agencies received significant recognition, and they set a Canadian record in 2021 with 52 Lions! Rethink led all agencies with 11 Lions, and Ogilvy garnered 9 Lions.⁶⁶

LO4 Message Appeals

The **message appeal** refers to the approach used to influence consumers' attitude toward the product, service, person, idea, or cause. As discussed in **Chapter 5**, brands attempt to influence a target audience's attitude toward a brand (e.g., maintain or increase), so an accurate message appeal is important for marketing communication effectiveness. Numerous message appeals are possible, and this section reviews five broad appeals: rational, emotional, fear, humour, and combined rational and emotional.

RATIONAL APPEALS

EXHIBIT 7-17 A rational appeal is used to promote the success of Honda SUVs.



Source: American Honda Motor Co., Inc.

Rational appeals focus on the consumer's practical, functional, or utilitarian need for the product or service and emphasize features of a product or service and/or the benefits or reasons for owning or using a particular brand. Rational-based appeals usually educate consumers with logical facts, and advertisers using them generally attempt to convince consumers that their product or service has a particular attribute or provides a specific benefit that satisfies their needs. Their objective is to persuade the target audience to buy the brand because it is the best available (e.g., provides a stronger sensory gratification motive) or does a better job of meeting consumers' needs (e.g., addresses an incomplete satisfaction motive). For example, the ad shown in **Exhibit 7-17** uses a rational appeal to communicate the award success of Honda SUVs. Six typical rational appeals are commonly identified in advertising: feature, comparative, price, news, popularity, and reminder.

Feature Appeal

EXHIBIT 7-18 American Express uses a feature appeal to promote its benefits.



American Express Company

Ads with a *feature appeal* focus on the dominant traits of the product or service. These ads tend to present the customer with a number of important product attributes or features that will lead to favourable attitudes and are used as the basis for a rational purchase decision. Technical and high-involvement products often use this type of message appeal. Feature appeals typically show how attributes result in specific consumer benefits by listing either or both in the ad copy. **Exhibit 7-18** shows an ad for American Express with a feature appeal, outlining where card users obtain cash back on their purchases and receive security-related features, such as purchase protection, extended warranty, and mobile fraud alerts.

Comparative Appeal

Ads with a *comparative appeal* either directly or indirectly identify competitors and compare the brands (or products) on one or more specific attributes or benefits.⁶⁷ A review of a sample of TV ads found that direct and indirect comparisons comprised 5% and 20% of them respectively, meaning a comparative appeal approximated one-quarter of all ads!⁶⁸ Studies show that recall is higher for comparative than non-comparative messages, but comparative ads are generally not more effective for brand attitudes or purchase intentions.⁶⁹ However, new research found differing effects for current users compared to non-users of a brand and product category. In short, comparative ads are effective for attitudes and purchase intentions for current users.⁷⁰

Based on the research, a few suggestions are possible for managers to consider. Comparative appeals may be useful for new brands, since they allow a market entrant to position itself directly against established brands and to promote its distinctive

advantages. Direct comparisons help position a new brand in consumers' evoked set of brands. Comparative appeals may be useful for low market share brands to sway consumers due to the positive association of an established market leader shown in the message. In contrast, a market leader may avoid use of a comparison ad, having little to gain by featuring competitors' products in its ad. Finally, surveyed practitioners reported strong preference for comparative appeals in situations that fit the market, product, and advertiser.⁷¹

Price Appeal

Ads with a *price appeal* highlights a product's economic cost to consumers as the dominant point of the message. Price appeal ads are seen frequently. Retailers announce sales, special offers, or low everyday prices. Fast-food chains offer price-oriented promotional deals and communicate "value menus" in their ads. Vehicle and electronic brands use price appeals with online display ads to direct shoppers to their Internet sites for furthering product evaluation.

News Appeal

Ads with a *news appeal* typically feature an announcement about a company's product. This appeal is used for a new product launch, a significant product modification, or a new product model, like the latest version of the iPhone. It is also used to communicate important company news. For example, airlines use a news appeal when offering service to new cities or opening new routes. In both cases, informing the market with a news appeal usually generates news media publicity resulting in additional media exposure to consumers.

Popularity Appeal

Ads with a *popularity appeal* stress the popularity of a product by pointing out the number of consumers who use the brand, the number who have switched to it, the number of experts who recommend it, or its leadership position in the market. Thus, the wide use of the brand demonstrates its quality or value to non-customers. The ad shown in **Exhibit 7-19** uses a popularity appeal by noting that Titleist golf balls are the number one ball played at the US Open golf tournament for 70 straight years. Titleist is the leading brand of golf balls, and its popularity among tour professionals influences the purchase decisions of amateur golfers.

EXHIBIT 7-19 Titleist promotes the popularity of its golf balls among pro golfers.



Source: Acushnet Company

Reminder Appeal

Ads with a *reminder appeal* highlight the brand name significantly in the message to build or maintain awareness. Well-known brands and market leaders of frequently used products typically use a reminder appeal, which is often referred to as reminder advertising. **Exhibit 7-20** shows a street ad, probably near shoe stores, reminding consumers to smile and to consider Ecco shoes when shopping. Products with a seasonal pattern to their consumption also use reminder appeal, particularly around the relevant time period. For example, marketers of candy and chocolate products increase their media budgets and run reminder advertising around Halloween, Valentine's Day, Christmas, and Easter.

EXHIBIT 7-20 This ad reminds consumers to associate Ecco shoes with happiness.



©Megapress/Alamy Stock Photo

EMOTIONAL APPEALS

Emotional appeals relate to the customer's social and/or psychological needs for purchasing a product. Consumers' purchase motives contain strong emotions, and their brand feelings are important in buying decisions. The choice between rational and emotional appeal requires careful consideration, to ensure that the advertising resonates with the target audience and evokes relevant processing responses connected to the purchase decision or consumption experience. Marketers use emotional appeals expecting that the positive consumer feeling evoked will transfer to the brand or company. Research shows that positive mood states and feelings created by advertising positively affect consumers' evaluations of a brand.⁷² Brands implement emotional appeals instead of rational appeals to differentiate themselves from competitors

more persuasively.⁷³ Advertisers communicate emotional appeals by portraying characters in the ad as experiencing an emotional benefit of using a product.⁷⁴

EXHIBIT 7-21 Advertising for Gold Peak Tea uses an emotional appeal based on the comforts and good feeling of home.



Source: The Coca-Cola Company

The ad in **Exhibit 7-21** is from a campaign for Gold Peak Tea with an emotional message appeal. Past campaigns focused on the “home-brewed taste” with a rational message appeal. However, “The Taste That Brings You Home” campaign depicted authentic tea moments that celebrate the comforts of home and the special feelings experienced when home. The campaign’s TV executions featured people resembling consumers enjoying the product while at home.

The effectiveness of emotion-based appeals is documented in *Brand Immortality*.⁷⁵ It examined 880 case studies of successful advertising campaigns submitted for the United Kingdom-based Institute of Practitioners in Advertising Effectiveness Award competition. Analysis compared campaigns that relied primarily on emotional appeals with those that used rational persuasion and information. A key finding is that advertising campaigns with purely emotional content produce nearly double the profit gains of rational content campaigns. One reason why emotional campaigns

work so well is that they reduce price sensitivity and strengthen the ability of brands to charge a price premium, which contributes to profitability. One Canadian advertiser used emotional appeals to refresh the message for a mature product. Kraft peanut butter experienced a sales decline and tried to rejuvenate the brand to millennials who are not eating the product category with a heartwarming story of a person’s life from childhood to adulthood featuring the iconic Kraft teddy bear.⁷⁶

TYPES OF EMOTIONAL APPEALS

Feelings serve as the basis for advertising appeals designed to influence consumers on an emotional level, as shown in **Figure 7-4**. Relying on considerable research over time, this taxonomy identifies core negative and positive emotions. Moreover, the table indicates the origin of the emotion, which demonstrates the core subjective meaning of the emotion and the action consequences of someone experiencing the emotion.⁷⁷ These additional descriptions of the emotion are important as they give direction as to the content and authenticity of the emotion for planning this emotional message appeal; advertisers that miss the mark on emotional accuracy are quickly rejected.

Figure 7-4 Basis for emotional appeals

Negative Emotion	Origin	Action
Anger	Offence against self	Restore justice, hold individuals responsible
Contempt	Other violates role, duty, obligation	Lower the reputation of perpetrator
Disgust	Contact with impure object or action	Push away
Embarrassment	Self has transgressed a social convention	Apologize
Envy	Other is superior to self	Reduce status of other
Fear	Imminent threat to self	Flee, reduce uncertainty
Guilt	Self has violated moral standard regarding harm	Remedy harm
Jealousy	Other threatens source of affection	Protect source of affection from others
Sadness	Irrevocable loss	Acquire new goods
Shame	Self has transgressed aspiration or ideal	Hide, avoid scrutiny
Positive Emotion	Origin	Action
Contentment	Pleasing stimulus	Savouring
Enthusiasm	Reward likely	Goal approach

Positive Emotion	Origin	Action
Love	Perceived commitment	Affection
Sexual desire	Sexual cue or opportunity	Sexual release
Compassion	Undeserved suffering	Pro-social approach
Gratitude	Unexpected gift	Promote reciprocity
Pride	Self-relevant achievement	Status display
Awe	Self is small vs. something vast	Devotion, reverence
Interest	Novel opportunity	Exploration
Amusement	Recognize incongruity	Play
Relief	Cause of distress ends	Signal safety

Based on Dacher Keltner and Jennifer S. Lerner, "Emotion," *Handbook of Social Psychology*, ed. Susan T. Fiske, Daniel T. Gilbert, and Gardner Lindzey, 2010, John Wiley & Sons.

Each of these core emotions embodies nuances. Contentment might include things like happiness, joy, nostalgia, and sentiment. Elements of pride may be seen in recognition, status, acceptance, and approval. Enthusiasm is one emotion in ads as well; for example, Air Canada's "Fly the Flag" ad captured the enthusiasm of travellers as they arrived at their Canadian and US destinations and were reunited with their family for the holidays. The ad showed heartwarming scenes, as some families had been apart for years. Some were overwhelmed with emotion when Air Canada personnel provided free tickets to return more often.⁷⁸ Other emotions appear to combine more than one emotion; for example, excitement is likely part of the first four positive emotions. **IMC Perspective 7-2** describes a campaign from grocery store retailer IGA in which an emotional appeal is communicated. This example is noteworthy as the use of emotional appeals in this product category is not used very frequently.

Applying these types of emotions, ads use lifestyle, humour, and sex appeals that are exciting, entertaining, and arousing. These types of appeals affect the emotions of consumers and put them in a favourable frame of mind just prior to purchase, or affect their brand assessment and influence their overall attitude. Some of these appeals are criticized as being unethical or offensive, and this point is addressed in **Chapter 19**. One negative and one positive emotional appeal commonly used in message delivery is now presented.

IMC PERSPECTIVE 7-2

MESSAGE APPEALS FROM IGA^c

For over a decade, IGA executed its rational and emotional appeals with animation culminating in over 50 ads. For a few years, IGA produced heartwarming video messages, especially designed to fit the holiday season. While other retailers focused on shopping for gift giving, the independent grocery brand concentrated on human stories resonating with emotion.

A sequence of ads began with the story of Nico, who experiences the joys of cooking after receiving a cookbook as a Christmas gift. A number of scenes demonstrate his physical growth and his culinary expertise, all with the appreciation and pride of his mother as she fosters and witnesses his development. Research indicating consumer's joy of cooking and IGA's strategy of fostering the love of food sparked the emotional appeal, and the imagery of the ad reinforced IGA's cookbook offer.

The following year the execution illuminated the blossoming friendship of a young girl and boy who share

their lunch box contents every day. The playful scenes reminded viewers of all the nutritious food one could eat while at school, how people learn to like food when given a taste from someone else's food, and that IGA carried all of these products.

Subsequently, a third ad showed a young girl making a reindeer cookie for her mother, however the mother offers it as a gift to a young boy in a hospital where she works. In return, the boy sends an origami to say thanks. The story continues with a few gift-giving scenes as the girl's origami collection grows. A concluding scene shows the recovered boy dropping off cookies to the girl on Christmas morning. IGA sold the origamis in store as a fundraising effort for pediatric cancer. Consumers could scan the origami and play with a digital version in augmented reality. *Strategy* recognized the "Sharing Is Everything" ad with awards for music and animation.



Lee Jung Tak/Shutterstock

Fourth and fifth versions connected a story of a young girl as an aspiring hockey goaltender, and later as an experienced Olympian. Initially, viewers saw the girl cook with her grandfather, who also taught her to play goalie. Later, viewers saw her depart and play her final Olympic Games while her son remained home watching her make a game-winning save for Canada with seconds remaining

in the game. Imagery of the son reinforced IGA's strategy of being a grocery store that helps with family togetherness. The ad coincided with IGA's provision of grocery gift cards to all athletes competing for Canada.

Interspersed among these emotional appeals, IGA ran rational message appeals as well while still using animation. It reintroduced the concept of home economics classes with Ricardo as the teacher, who happened to be a chef and media personality. Emily, an IGA proprietor, joined Ricardo to show consumers how they could save time and money in the kitchen by shopping at IGA for practical meal solutions. The ad highlighted key features of IGA, such as its meal-planning app, private label, online shopping, delivery service, and rewards programs. Other ads showed family scenes and the types of products they could buy at IGA.

QUESTION

1. Why is IGA's use of mixed message appeals and animation a winning combination?

Fear Appeals

Fear is an emotional response to a threat that expresses or implies danger. Ads use **fear appeals** to invoke this emotional response and arouse individuals to take steps to remove the threat. For example, some personal care product ads (e.g., mouthwash) threaten social disapproval. Ads with fear appeals are criticized for attempting to create anxiety and other negative emotional responses in consumers. One writer called out organizations that sell diet programs for using fear messages of body image to young teenagers. The author criticized one brand for offering teens aged 13–17 a free summer membership to convey the fear message.⁷⁹ When planning the use of a fear appeal, the advertiser considers how fear operates, what level to use, and how the target audience may respond. The managerial implication is that a promotional planner selects the optimal level of fear in the ad to persuade the target audience.

One theory suggests that the relationship between the level of fear in an ad and acceptance or persuasion is curvilinear in the shape of an inverted U.⁸⁰ Message acceptance increases as the level of fear in the ad rises, but message acceptance decreases if the level of fear rises beyond a tolerable point for the target audience. This relationship between fear and persuasion occurs because of the facilitating and inhibiting effects of fear appeals.⁸¹ A low level of fear facilitates attention and interest in the message and motivates the receiver to act to resolve the threat. A high level of fear inhibits emotional responses, as the receiver does not selectively attend to the message or denies the message by rejecting the claims with negative cognitive responses. The resulting two countereffects produce the curvilinear relationship between fear and persuasion identified above.

A study by Anand Keller and Block provides support for this perspective on how fear operates.⁸² Their study indicated that a communication using a low level of fear may be ineffective because it results in insufficient motivation to elaborate on the harmful consequences of engaging in the destructive behaviour (smoking). However, an appeal arousing high levels of fear was ineffective because it resulted in too much elaboration on the harmful consequences. This led to defensive tendencies such as message avoidance and interfered with processing of recommended solutions to the problem.

EXHIBIT 7-22 Seagate uses a mild fear appeal that alerts consumers to a problem and offers a solution.



Source: Seagate Technology LLC

(4) the individual's perceived ability to carry out the coping behaviour. This model suggests that ads using fear appeals should give the target audience information about the severity of the threat, the probability of its occurrence, the effectiveness of a coping response, and the ease with which the response is implemented. For example, the ad shown in **Exhibit 7-22** uses a mild

Another approach to the curvilinear explanation of fear is the protection motivation model.⁸³ According to this theory, four cognitive appraisal processes mediate the individual's response to the threat: appraising (1) the information available regarding the severity of the perceived threat, (2) the perceived probability that the threat will occur, (3) the perceived ability of a coping behaviour to remove the threat, and

fear appeal for Seagate Technology's Replica product designed to back up computer hard drives. The ad uses playful illustrations in a graphic style to communicate what happens if a computer crashes and all files are lost. The ad offers a solution to the threat by showing the ease of using the Replica product and the resulting peace of mind.

Research reviewing fear appeals argued that studies may be confusing different types of threats and the level of potential harm portrayed in the message with fear, which is an emotional response.⁸⁴ The relationship between the emotional responses of fear and persuasion is not curvilinear but rather is monotonic and positive, meaning that higher levels of fear do result in greater persuasion. However, not all fear messages are equally effective, because different people fear different things. Thus they will respond differently to the same threat, so the strongest threats are not always the most persuasive. This suggests that marketers using fear appeals must consider the emotional responses generated by the message and how they will affect reactions to the message.

Humour Appeals

Anecdotally, humorous ads are the most enjoyed of all advertising messages. Humour is usually presented through audio and video messages, as these media lend themselves to the execution of humorous messages. Humour fits with products like food and beverages; however, advertisers use it for personal care products (e.g., Old Spice) that might have used other appeals in the past, which shows that the context and audience dictate the suitability of its use. One recent example of a humour appeal is a Fisherman's Friend cough drop ad showing a story where the captain of a fishing schooner found his lost brothers after a shark coughed them up! Other executions continued the concept of unlikely fish tales. The new campaign continued the use of humour after a successful three-year run of funny ads that ended with the slogan, "Suck it up."⁸⁵

Advertisers use **humour appeals** for good reasons. Humorous messages attract and hold consumers' attention. They enhance effectiveness by putting consumers in a positive mood, increasing their liking of the ad itself and their feeling toward the product or service.⁸⁶ A humour appeal draws the receiver into the funny situation and distracts the receiver from counterarguing against the message, which makes the receiver more likely to accept the brand benefit claims.⁸⁷ Note that practitioners and researchers typically use the term *humour appeal*, which corresponds to amusement as the basic emotion, as shown in **Figure 7-4**. A meta-analytic test of various models of how humour works in advertising showed that its effects are primarily based on affective processes and that it distracts from the processing of cognitive information such as brand beliefs and benefits. This suggests that the peripheral processing of humorous messages is dominant and that effort devoted to processing of ad-related affective elements comes at the expense of attention to brand-related cognitions.⁸⁸

Clearly, there are valid reasons both for and against the use of humour in advertising. Not every product or service lends itself to a humorous approach.⁸⁹ A review of many of studies found that the effectiveness of humour depends on several factors, including the type of product and audience characteristics.⁹⁰ For example, humour has been more prevalent and more effective with low-involvement, feeling products than high-involvement, thinking products.⁹¹ An interesting study surveyed the research and creative directors of the top 150 advertising agencies.⁹² They specified which communications objectives are facilitated through the appropriate situational use of humour in terms of media, product, and audience factors. The general conclusions of this study are shown in **Figure 7-5**.

Figure 7-5 Advertising executives' experience with humour

Humour can:

- Aid in gaining attention.
- Assist with comprehension and yielding (i.e., cognitive responses).
- Create a positive mood that enhances persuasion (i.e., emotional responses).
- Aid name and simple copy registration (i.e., brand awareness).
- Not aid persuasion in general (i.e., brand attitude), but does occur.
- Generally not encourage consumer action, but does occur.
- Enhance persuasion to switch brands.

Ty Burrell of *Modern Family* fame speaks with an attention-getting opening line: "Don't laugh. This is super serious. I'm in a fragrance ad, people." And so begins the parody of a perfume ad to advertise Gain Flings, the easy-to-use liquid detergent packs. Ty's ad copy continued: "Living a fantasy. A flash-bulb-filled fragrance fantasy. Because the world of scent isn't about making sense. It's about making sexy faces," with images of Ty being photographed. Indeed, the words and the sequence of scenes re-enacted a stereotypical perfume ad to stand out from all other detergent ads. Ty carried on with similar copy: "It's about running down hallways in slow motion making sexy faces"—while he did in fact run down a hallway showing his sexy

face. As Ty entered a bright, clean room next, he announced, “Searching for an answer only to find more questions. Like, who’s this gorgeous guy? And, why does he smell so darn good?” and discovered that he was looking at another version of himself. At this point, viewers realize they are seeing a detergent ad when Ty smells the other Ty! The brief conversation of the two characters reflects a typical selling message for a scented detergent ad, which ended with the slogan “The Seriously Good Scent” written on the screen. Awareness improved from 61% to 71%. Consumers associated Gain with scent beliefs much more strongly for three attitudinal questions, and sales nearly doubled in one year.⁹³

COMBINED RATIONAL AND EMOTIONAL APPEALS

EXHIBIT 7-23 Advertising for Arrowhead water appeals rationally and emotionally.



Source: Arrowhead by Nestle Waters North America

One decision facing the creative specialist is not whether to choose an emotional appeal or a rational appeal, but rather how to combine the two message appeals. Past topics foreshadowed the idea that a combined rational and emotional appeal is an option for advertisers. Receiver processing discussed in **Chapter 4** identified the significance of cognitive responses and emotional responses. Target audience brand attitude described in **Chapter 6** showed cognitive and emotional components. Consumer purchase motives are described from a cognitive view but are activated with emotion. For example, one may buy a personal care product to solve a problem by rationally evaluating its ingredients or performance claims and be significantly relieved and pleased when the product resolves the issue. **Exhibit 7-23** appeals to consumers rationally and emotionally with the text of the ad and the compelling visuals.

A number of ads from Interac exhibited both rational and emotional appeals over the course of four years. In 2016, for example, Interac released three interesting creative films that communicated both rationally and emotionally. A two-minute “documentary” spoof told the story of pets with credit problems, in a tone of light-hearted humour. Another creative shared the heartwarming experiences of a young boy saving his money to buy a dog; the story has a touching moment when we see the father learning an important money management lesson from his son. And finally, an adventurous 60-second episode revealed a mysterious man who seemingly did not pay for any purchase, as seen through the eyes of a young boy, when in fact the mysterious man paid with virtual payment systems.⁹⁴

A unique example of combining rational and emotional appeals is the use of **teaser advertising**. Advertisers introducing a new product or new advertising campaign use teaser advertising, which is

designed to build curiosity, interest, and/or excitement about a product or brand by talking about it but not actually showing it. Initial ads for the Chevrolet Spark car claimed that the ultimate mobile device was coming, and the imagery looked like the box of a new phone. After a few weeks of teasing in multiple media, the big launch event revealed the car! It seems the device angle was perfect for young, first-time buyers who would be interested in a subcompact, and it reinforced the technological connectivity features of the new car.⁹⁵

LO5 Source Characteristics

The third creative strategy decision is the source of the message appeal. The term **source** means the person involved in communicating a message appeal, either directly or indirectly. A *direct source* is a spokesperson who delivers a message and/or demonstrates a product or service. An *indirect source* (e.g., a model) doesn’t actually deliver a message but draws attention to and/or enhances the appearance of the ad. Note that the source of the message is the brand or organization when an ad uses neither a direct nor an indirect source. Companies carefully select individuals to deliver their message appeal due to the costs involved and the fit with their brand positioning strategy. Advertising adapts a historic model that identifies three source attributes: credibility, attractiveness, and power.⁹⁶ This section applies the first two characteristics to this advertising decision since the compliance effect due to source power is not possible in most promotional communication.

SOURCE CREDIBILITY

Credibility is the extent to which the recipient sees the source as having relevant knowledge, skill, or experience and trusts the source to give unbiased, objective information, implying that there are two important dimensions to credibility: *expertise* and *trustworthiness*. A communicator seen as knowledgeable—someone with expertise—is more persuasive than one with less expertise. But the source also has to be trustworthy—honest, ethical, and believable. The influence of a knowledgeable source will be lessened if audience members think they are biased or have underlying personal motives for advocating a position (such as being paid to endorse a product).

One of the most reliable effects found in communications research across many fields of study (including psychology, political science, marketing, and advertising) is that expert and/or trustworthy sources are more persuasive than sources who are less expert or trustworthy.⁹⁷ For example in the context of advertising, a couple of early studies examined source credibility effects. One looked at the receiver's cognitive responses while processing the source of the message, as described in **Chapter 4**.⁹⁸ Another studied the attitudinal effects of the source of the message.⁹⁹

Information from a credible source influences beliefs, opinions, attitudes, and/or behaviour through a process known as **internalization**, which occurs when the receiver adopts the opinion of the credible communicator since they believe information from this source to be accurate. Once the receiver internalizes an opinion or attitude, it becomes integrated into their belief system and may be maintained even after the source of the message is forgotten.

Expertise

Because attitudes and opinions developed through an internalization process become part of the individual's belief system, marketers want to use communicators with expertise. Spokespeople are often chosen because of their knowledge of or experience with a particular product or service. Endorsements from individuals or groups recognized as experts, such as doctors or dentists, are also common in advertising (**Exhibit 7-24**). The importance of using expert sources was shown in a study which found that the perceived expertise of celebrity endorsers was more important in explaining purchase intentions than their attractiveness or trustworthiness. One implication is that celebrity spokespeople are most effective when they are knowledgeable, experienced, and qualified to talk about the product they are endorsing.¹⁰⁰

EXHIBIT 7-24 James Dyson is one of the most effective CEO spokespersons.



Source: Dyson, Inc.

Trustworthiness

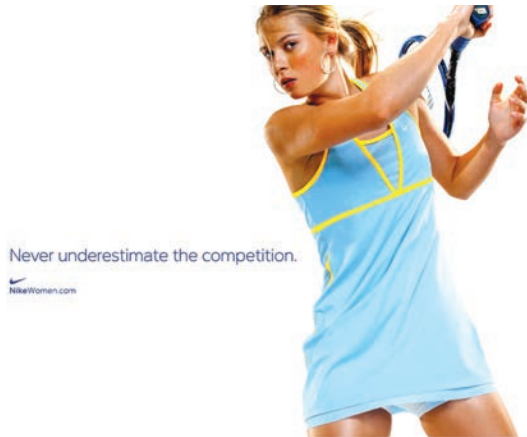
While expertise is important, the target audience also expects the source (e.g., celebrities or other figures) to have a trustworthy image. In some cases, ads include actors playing the role of a professional (e.g., medical, technical) giving advice or their opinion to ensure a level of trustworthiness. However, certain brands and product categories may limit this option for selecting a trustworthy spokesperson. In such situations, firms might rely on a customer testimonial so that non-consumers of the category, or non-customers of the brand, might accept the message claims.

One appropriate trustworthy source for an ad message is the company president or chief executive officer who acts as the spokesperson. The use of this source is the ultimate expression of the company's commitment to quality and customer service. Research suggests that the use of this source improves attitudes and increase the likelihood that consumers will inquire about the company's product or service.¹⁰¹ Companies are likely to use a top executive in their advertising when they have celebrity value that enhances the firm's image. However, there is a risk if CEO spokespeople become popular and get more attention than their company's product/service or advertising message. Loblaw returned to using its president in advertising, something the retailer originated during the 1970s. The current president, Galen Weston Jr., ranked as the most admired business leader as a company spokesperson.¹⁰² Owners or presidents of medium or small firms and local businesses rely on this approach for source trustworthiness.

A review of source credibility research in advertising over many decades concluded that a highly credible source exerts the strongest persuasion influence on attitudes when advertisers do the following:¹⁰³ (1) Introduce the source at the start, especially if the target audience is highly involved. But, if the receiver is less involved or has a favourable brand attitude, the source can be delayed to the end. (2) State strong arguments quickly, but consider a normal pace for moderate arguments. The ads should consider a fear appeal and implicitly refute counter-arguments at the start of the message.

SOURCE ATTRACTIVENESS

EXHIBIT 7-25 Source attractiveness via tennis skill and fame may be persuasive.



Source: NIKE Inc.

communicating effectively.

Similarity

Research findings suggest that people are more likely influenced by a message coming from someone with whom they feel a sense of similarity.¹⁰⁵ If the communicator and receiver have similar needs, goals, interests, and lifestyles, the position advocated by the source is better understood and received. Similarity is used to create a situation where the consumer feels empathy for the person shown in a message. In a slice-of-life commercial, the advertiser usually starts by presenting a predicament with the hope of getting the consumer to think, “I see myself in that situation.” This helps establish a bond of similarity between the communicator and the receiver, increasing the source’s level of persuasiveness. The President’s Choice #EatTogether ads encouraging people to eat their meals with other people are an example of source similarity as the campaign features regular-looking, everyday people with whom the average person can easily identify.

Likability

EXHIBIT 7-26 Dove’s “Campaign for Real Beauty” uses everyday women rather than supermodels in its ads. Dove takes a social advocacy approach in promoting its beauty products.



Source: Unilever

A source characteristic used by advertisers is **attractiveness**, which encompasses similarity, familiarity, and likability.¹⁰⁴ *Similarity* is a supposed resemblance between the source and the receiver of the message. *Likability* is an affection for the source as a result of physical appearance, behaviour, or other personal traits. Even when the sources are not famous, consumers admire their physical appearance, talent, and/or personality. *Familiarity* refers to knowledge of the source through exposure. Three characteristics are now reviewed, specifically how they operate via celebrity endorsers and decorative models.

Source attractiveness leads to persuasion through a process of **identification**, whereby the receiver is motivated to seek a relationship with the source and thus adopts similar beliefs, attitudes, preferences, or behaviour. Maintaining this position depends on the source’s continued support for the position as well as the receiver’s continued identification with the source. If the source changes position, the receiver may also change. Unlike internalization, identification does not usually integrate information from an attractive source into the receiver’s belief system. The receiver may maintain the attitudinal position or behaviour only as long as it is supported by the source or the source remains attractive.

Exhibit 7-25 is an ad in which source attractiveness may be a factor for

A likable source in an ad message has virtually any characteristics that the advertiser would like to draw attention toward. Presumably, promotional planners select characteristics that reinforce the brand and its intended positioning strategy. For example, marketers of a facial skin care product would select a person who has a good complexion so that this physical characteristic would be noticed and associated with the brand name. Brands use a source with personality characteristics that emerge in the ad’s story to develop the brand personality. Advertisers recently gravitated to telling the story of a person who overcame obstacles in their life and eventually thrived. Their accomplishments give consumers a reason to like them based on their achievement. In addition, brands also use a source who is a member of a reference group to which the receiver aspires to join. In these latter two situations, brands expect greater communication effects and brand purchase because consumers like the source.

Advertisers feature a physically attractive person who serves as a *decorative model* rather than as an active communicator. Research suggests that physically attractive communicators generally have a positive impact and generate more favourable evaluations of both ads and products than less attractive models.¹⁰⁶ The gender appropriateness of the model for the product being advertised and their relevance to the product are also important considerations.¹⁰⁷ Some models draw attention to the

ad but not to the product or message, suggesting that an attractive model facilitates ad recognition but does not enhance processing of the message copy or message recall. Thus, advertisers design ads to ensure that the consumer's attention goes beyond the model to the product and advertising message.¹⁰⁸ Marketers also consider whether the use of highly attractive models might negatively impact advertising effectiveness as women may experience negative feelings when comparing themselves with the physical perfection of beautiful models used in ads.¹⁰⁹ However, if the decorative model is congruent with the product advertised, research suggests the model becomes a credible influence.¹¹⁰

To address this, Unilever's Dove developed the "Campaign for Real Beauty" (**Exhibit 7-26**), which portrayed typical women and girls in its messages, in contrast to the use of supermodels or decorative models. In essence, Dove relied on source similarity with the use of everyday women; however, their unexpected use in the beauty category quite possibly produced a degree of source likability due to the issues identified above. Thus, while there is often a primary source effect, a strong secondary effect may occur with creative campaigns. The campaign included different types of ads, extensive public relations, and a website (CampaignForRealBeauty.ca) where women discussed beauty-related issues. And, according to experts and the awards it won, the initiative appeared successful from a social standpoint, but less so financially.¹¹¹ However unexpectedly, the campaign received criticism for its "Patches" and "Choose Beautiful" executions, which showed typical women being misled or manipulated with a condescending or patronizing tone, which may question the viability of the original source effect.¹¹²

Familiarity

Familiarity through exposure from another context provides a strong source. Essentially, advertisers hope that the characteristics associated with the source in the original context carry over to the brand. This connection is often reinforced with the creative theme of the ad, so the two strategic variables work in tandem. Without question, familiarity occurs through using famous endorsers, discussed next, but it also occurs in other ways. Familiarity is used with prototypical (and sometimes stereotypical) or representative images of a familiar person or persons from a well understood context. For example, familiarity is shown with a common situation that is known to occur within the target audience's use of the product.

CELEBRITY ENDORSERS

Advertisers understand the value of using spokespeople who are admired: TV and movie stars, athletes, musicians, and other popular public figures. Why do companies spend huge sums to have celebrities appear in their ads and endorse their products? Celebrities are likable due to their professional achievements and anticipated physical attractiveness, and they are generally familiar given their media exposure. Celebrities often exhibit trustworthiness and expertise; for example, sports stars endorse the athletic equipment used when competing. Rogers featured NHL star Connor McDavid using its 5G network and the Apple iPhone while training off season. Notice how a well-known former athlete like David Beckham adds lustre to a high-end brand such as Tudor (**Exhibit 7-27**).

While celebrity use seems pervasive, they appear in 10% of US TV and print ads. For US magazine ads, celebrities appear in sports, teen, and women's fashion titles representing certain product categories (e.g., cosmetics, fashion, food, media).¹¹³ Marketers expect that celebrity characteristics draw consumer attention to advertising messages and favourably influence consumers' feelings, attitudes, and purchase behaviour. Research that summarizes many studies supports this line of thinking.¹¹⁴ However, the strength of these effects vary among source attractive characteristics, source credibility characteristics, and the receiver's involvement, as research indicates consumers view celebrities as trustworthy but not necessarily experts.¹¹⁵

A celebrity endorsement is "an agreement between an individual who enjoys public recognition (celebrity) and an entity (brand) to use the celebrity for the purpose of promoting the entity."¹¹⁶ This is a broad view in the age of social media influence, as past per-

EXHIBIT 7-27 Soccer star David Beckham has a number of endorsement deals.



Source: Tudor

spectives saw celebrity endorsers occurring in advertising only. Promotional planners try to match the product or company's image, the characteristics of the target audience, and the personality of the celebrity.¹¹⁷ Promotional planners typically follow a formal process with the celebrity throughout the creative development process.¹¹⁸ Criteria evaluated during this process include a celebrity's congruence with the audience, product/service or brand, overall image, specific source characteristics, profession, popularity, availability, and cost.¹¹⁹ Promotional planners consider four factors when assessing potential concerns when using a celebrity endorser: brand communication, competing brand exposure, target audience response, and advertiser risk.

EXHIBIT 7-28 TAGHeuer ensures brand communication with its name right beside Cristiano Ronaldo.



Source: Tag Heuer

Brand Communication

How does the celebrity affect the target audience's processing of the advertising message? Will consumers focus their attention on the celebrity, fail to notice the brand, and minimize ad recall and recognition effects for the brand? Research on these questions discovered situations where these ad awareness measures for the brand showed lower scores.¹²⁰ Advertisers select a celebrity spokesperson who will attract attention and enhance the brand and its message, not the celebrity. Furthermore, the message makes a clear connection between the celebrity and the brand for a more positive brand attitude effect, otherwise the celebrity effect takes hold more strongly.¹²¹ Notice how the ad in **Exhibit 7-28** associated Cristiano Ronaldo with the brand very clearly, with the brand identification and product right beside this talented play.

Competing Brand Exposure

Consumers may be skeptical of endorsements because they know that the celebrities are paid.¹²² This problem is particularly pronounced when a celebrity endorses too many brands and becomes overexposed. Advertisers protect themselves against overexposure with an exclusivity clause limiting the number of products a celebrity endorses. However, such clauses are usually expensive, and most celebrities agree not to endorse similar products anyway. Celebrities try to earn as much endorsement money as possible, yet they are careful not to damage their credibility by endorsing too many products.

Target Audience Response

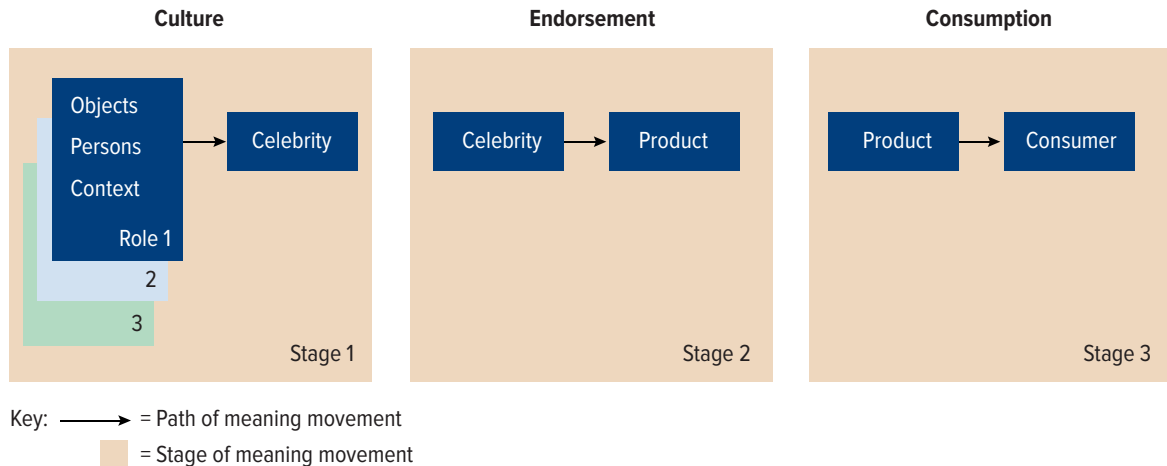
One of the most important considerations in choosing a celebrity endorser is how well the individual matches with and is received by the advertiser's target audience. Consumers who are particularly knowledgeable about a product or service or have strongly established attitudes may be less influenced by a celebrity than those with little knowledge or neutral attitudes. One study found that college-age students were more likely to have a positive attitude toward a product endorsed by a celebrity than were older consumers.¹²³

Advertiser Risk

The decision to employ an expensive celebrity spokesperson contains risk; entertainers and athletes who are involved in or accused of unacceptable activities in their personal life or while on the job have unexpected and unpredictable effects on the brand. Companies research a celebrity's personal life and background and include a morals clause in the contract to minimize risk. However, morals clauses allow the company to terminate the endorsement if controversy arises, but they do not prevent problems. A summary of celebrity endorser studies concluded that the strongest impact on advertising effectiveness was negative information about the celebrity; it had almost twice as strong a negative effect compared to positive effects of source credibility and source attractiveness.¹²⁴

Meaning of Celebrity Endorsers

An interesting perspective on celebrity endorsement concluded that credibility and attractiveness don't sufficiently explain how and why celebrity endorsements work. Instead, a proposed meaning transfer model indicates that a celebrity's effectiveness as an endorser depends on the culturally acquired meanings they bring to the endorsement process (**Figure 7-6**).¹²⁵ Each celebrity contains multiple meanings, including status, class, gender, age, personality, and lifestyle. At Stage 1, the characteristics associated with the celebrity from their public exposure in movies and so on extend to their persona. Celebrity endorsers

FIGURE 7-6 Meaning movement and the endorsement process

bring their meanings and image into the ad and transfer them to the product they are endorsing in Stage 2. In the final stage, the meanings the celebrity delivered to the product are transferred to the consumer. However, how consumers take possession of the meaning the celebrity transferred to a product is probably the least understood part of the process.

For example, American Express featured Tina Fey in ads for its Amex EveryDay credit card, which allows users to earn rewards on everyday purchases (**Exhibit 7-29**). The new card was targeted to working mothers who have busy lives. The TV messages showed Fey in her trademark witty fashion as a busy, on-the-go working woman and mom, juggling her personal life with work demands. She is an effective endorser since she represents the quintessential do-it-all woman with an endless to-do list but who gets it all done with the help of the product.

The meaning transfer model implies that marketers first decide on the image or symbolic meanings important to the target audience, and then determine which celebrity best represents that projected image or meaning. An advertising campaign is then designed to capture the meaning in the product and move it to the consumer. Marketing and advertising personnel rely on intuition in choosing celebrity endorsers for their companies or products, but companies also conduct market research to determine consumers' perceptions of celebrities' meaning. Marketers may perform pre-test measuring of ads to determine whether the message transfers the proper meaning to the product. Afterwards, marketers may execute post-test measuring to assess whether the celebrity continues to communicate the proper meaning to the target audience. These types of measuring are described in **Chapter 9**.

EXHIBIT 7-29 Tina Fey's image as a comedian reinforces the humour of this ad for the Amex EveryDay credit card.

Source: American Express Company

LO6 IMC Planning: Message and Source Combinations

As noted at the outset of this chapter, the creative strategy comprises decisions regarding the creative theme, message appeal, and source characteristics. Promotional planners determine the degree to which there is creative consistency of these decisions across time, executions, media, promotional programs, and products. This IMC planning section presents a table that allows promotional planners to consider various combinations of message and source decisions.

Figure 7-7 summarizes the possible combinations of all message and source decisions. Essentially any ad has one of these 15 combinations. Promotional planners consider using certain combinations for certain parts of the IMC plan. For example, a brand may select a more credible source with a rational appeal for its print communication, and possibly consider a familiar source with an emotional appeal for its television commercials. As noted in the creative consistency section, Telus has used a different message appeal and source on television and radio. Television ads feature likable critters with emotional appeals, while radio ads feature a trustworthy source with rational appeals. While a number of combinations exist, promotional planners could decide to keep the same source and message appeal for all their programs and media.

Figure 7-7 Possible combinations for message and source decisions

	Rational Appeal	Emotional Appeal	Combined Appeal
Credible			
Trustworthy			
Similar			
Likable			
Familiar			

Learning Objectives Summary

LO1 Summarize the idea and importance of creativity in an advertising context.

The creative development and execution of the advertising message are a crucial part of a firm's integrated marketing communications program. The creative specialist or team is responsible for developing an effective way to communicate the marketer's message to both customers and non-customers and reinforce the brand positioning strategy. Creativity is often difficult to articulate, but consumers and advertising people all know it when they see it. The challenge facing the writers, artists, and others who develop ads is to be creative and come up with fresh, unique, and appropriate ideas that can be used as solutions to marketing communication issues that may be problems or opportunities.

LO2 Describe the creative strategy planning process.

Marketers turn to ad agencies to develop, prepare, and implement their creative strategy, since these agencies are specialists in the creative function of advertising. Creativity in advertising is a process of several stages, including preparation, incubation, illumination, and verification. Various sources of information are available to help the creative specialists determine the best creative strategy. Creative strategy is guided by marketing goals and objectives and is based on a number of factors, including the problem the advertising addresses; the target audience, behavioural, and communication objectives the message seeks to accomplish; and key benefits the advertiser wants to communicate as reflected in the brand positioning strategy. These factors and the creative strategy decisions are generally stated in a copy platform, which is a work plan used to guide development of the ad campaign.

LO3 Identify the approaches used for determining the creative theme that forms the basis of an advertising campaign.

An important part of creative strategy is determining the creative theme of the campaign. Often, a big idea strikes the creative specialist while embarking upon the creative process, which becomes the source of the creative theme. There are approaches to discovering this big idea, including using a unique selling proposition, creating a brand image, looking for inherent drama in the brand, positioning, and storytelling. In general, the creative theme guides much of the advertising campaign or IMC program. Consistency, originality, and its ability to effectively communicate are three key strengths of a good creative. The creative theme acts as a brand story to give it uniqueness compared to competitors.

LO4 Summarize the different types of message appeals that advertisers use to persuade their target audience.

A message appeal, the second decision of the creative strategy, is the central message used in the ad to elicit cognitive and emotional processing responses and communication effects from the target audience. A message appeal reveals the intended persuasion of the brand. Appeals can be broken into two broad groups—rational and emotional. Rational appeals focus on consumers' practical, functional, or utilitarian need for the product or service.

Emotional appeals relate to social and/or psychological reasons for purchasing a product or service. Numerous types of appeals are available to advertisers within each group, and it is important for the client to clearly specify its intended message as accurately as possible.

LO5

Identify the source or communicator options a marketer has for a promotional message.

Selection of the appropriate source or communicator to deliver a message is the third creative strategy decision. The message source is the approach to deliver the message appeal. Three important attributes are source credibility, attractiveness, and power. Marketers enhance message effectiveness by hiring communicators who are experts in a particular area and/or have a trustworthy image. The use of celebrities to deliver advertising messages has become very popular; advertisers hope they will catch the receivers' attention and influence their attitudes or behaviour through an identification process. The chapter discusses the meaning a celebrity brings to the endorsement process and the importance of matching the image of the celebrity with that of the company or brand.

LO6

Apply source and message appeal options for different ad executions.

The chapter concluded by outlining options for IMC planning and suggesting that different combinations of source and message appeal could be constructed for different media or different IMC programs. Promotional planners can apply combinations depending on the context of the media such as TV, print, or social media. Furthermore, promotional planners might consider different combinations for specific IMC programs compared to what is shown in advertising.

Review Questions

1. Television commercials can use unusual creativity that has very little to do with the product being advertised. Explain why creative specialists would recommend such ads and why the brand managers would approve the production and placement.
2. Describe the types of general and product-specific preplanning input one might evaluate when assigned to work on an advertising campaign for a new brand of bottled water.
3. What is your opinion of advertising awards, such as the Cannes Lions, that are based solely on creativity? If you were a marketer looking for an agency, would you take these creative awards into consideration in your agency evaluation process? Why or why not?
4. Assume that a government agency wants to use a fear appeal to encourage college and university students not to drink and drive. Explain how fear appeals might affect persuasion and what factors should be considered in developing the ads.
5. What are source characteristics? What types are there? How do they affect processing of a message and the communication effects of the message?
6. How is it possible that an IMC program could have multiple sources for the message using both rational and emotional appeals?

Applied Questions

1. Find an example of a print ad that is very creative and an ad that is dull and boring. Select each element of the ad and figure out how it is contributing to the creativity or lack of creativity.
2. The chapter outlined a few campaigns; use the Internet to research and identify the most successful Canadian campaign in recent years.
3. Find an example of an ad or campaign that you think reflects one of the approaches used to develop a creative theme, such as unique selling proposition, brand image, inherent drama, or positioning. Discuss how the creative theme is used in this ad or campaign.
4. Describe how a few of the negative emotions conveyed in **Figure 7-4** could be used in a campaign for car insurance. Describe how a few of the positive emotions conveyed in **Figure 7-4** could be used in a campaign for smartphones.
5. Find a celebrity who is currently appearing in ads for a particular company or brand, and use McCracken's meaning transfer model (shown in **Figure 7-6**) to analyze the use of the celebrity as a spokesperson.
6. Actors portraying doctors in ads are often used for rational appeals. In what situation might it make sense to have a doctor for an emotional appeal? What type of emotional appeal would be most logical from **Figure 7-4**?

CHAPTER EIGHT

Creative Tactics Decisions



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LEARNING OBJECTIVES

- LO1** Analyze the creative execution styles that advertisers use and the situations where they are most appropriate.
- LO2** Explain different types of message structures used to develop a promotional message.
- LO3** Express design elements involved in the creation of print, video, and audio messages.
- LO4** Apply a planning model for making creative tactics decisions.
- LO5** Illustrate how clients evaluate the creative work of their agencies.

Haulers Get Animated^A

No Frills introduced Haulers in its ads a few years ago. A 90-second video ad with music showed haulers in a No Frills store doing handstands on grocery carts while selecting produce, running sideways along frozen food freezer doors, performing aerial cartwheels, and spinning tubs of detergent on one finger of both hands just like a basketball all-star. In short, the message stylistically visualized how customers shopped in the store to find deals and save money.

The most recent video iteration, “Welcome to the Haulerverse,” depicted haulers as animated super-heroes who destroyed frills and sought great deals with the same musical background as the initial ad. The main message remained the same with new creative tactics: Shopping and saving money at No Frills is a source of pride for haulers! Also, the action demonstrated how haulers used phone apps while in the store and shopped responsibly with reusable branded bags, and included a No Frills employee among the haulers. No Frills management viewed the Haulerverse as a unique style to differentiate the brand from other grocery stores and as a creative design the strengthened its loyal customers to feel more positively about the brand.

The creativity extended digitally with a website that identified the characters as Meg, Nia, Jeff, and Hank with skills such as digital deal hunter, baby-carrying budget boss, experienced savvy shopper, and employee deal

slinger. In addition, No Frills ran a continuing comic strip in its weekly digital flyer with the characters in a battle between spending and saving. And for those using social media, No Frills provided gifs and an Instagram filter! Needless to say, these paid and owned media executions provided plenty of earned media.

No Frills augmented its Haulerverse promotional activities with other innovative programs during approximately the same time frame. It launched an 8-bit browser-based video game that simulated in-store shopping. Entitled, “Aisles of Glory,” users selected from a choice of five characters as they once again destroyed frills and sought great deals. An updated version of the game extended the products selected from the No Name and President’s Choice in-house brands to include national brands such as Yoplait, Cavendish, and Klondike. This national brand partnership extended to simultaneous exposure within the store flyer. The game also featured promotional incentives for PC Optimum loyalty members in terms of bonus points, discounted prices, and in-game points transferred to PC Optimum points. Special codes on in-store receipts opened an opportunity for video game users to get additional promotions.

Question

1. What new creative steps can No Frills take with the Haulerverse?

The previous chapter identified and described the three creative strategy decisions. As noted, the **creative strategy** determines *what* the advertising message communicates. This chapter focuses on the three supporting **creative tactics** that show *how* the advertising message is executed. It is consistent with the previous chapter by clearly identifying the specific decisions promotional planners make to guide the development of their campaigns.

First, the chapter examines the execution styles that express the message appeal of the creative strategy. It then identifies the important message structure choices available. Next, the chapter describes the elements involved in the design and production of messages in multiple advertising formats. Finally, it presents a framework for planning creative tactics decisions. The IMC planning section provides guidelines to evaluate the creative recommendations to effectively communicate the brand positioning strategy prior to client approval.

LO1 Creative Execution Style

The **creative execution style** is a creative tactic decision that shows the way in which the message appeal of the creative strategy is presented. While it is obviously important for the message appeal to communicate with the target audience meaningfully, the manner in which the ad is executed effectively achieves message processing and communication effects. This section identifies 11 execution styles and provides examples of each. Two or three of these styles are usually combined to present most message appeals.

STRAIGHT SELL

The straight sell creative execution style relies on a clear and direct presentation of information. This creative execution style is often used with rational appeals, where the focus of the message is the brand or specific product attributes and/or benefits. Straight-sell executions are seen in print ads where a picture of the product occupies part of the ad, and the factual copy takes up the remaining space. They are used in TV ads, with an announcer generally delivering the sales message while the product/service is shown on the screen. Ads for high-involvement consumer products and business-to-business products use this format. Internet media ads may use a straight sell to encourage consumers to visit a brand's website or social media vehicles. The L'Oreal ad shown in **Exhibit 8-1** is an excellent example of a straight-sell execution style since it clearly identifies a few attributes and benefits.

SCIENTIFIC/TECHNICAL EVIDENCE

In a variation of the straight sell, scientific or technical evidence is presented in the ad. Advertisers cite technical information, results of scientific or laboratory studies, or endorsements by scientific bodies or agencies to support their advertising claims. The ad for Alcon's Opti-Free multipurpose disinfecting solution for contact lens care treatment shown in **Exhibit 8-2** uses this execution style by noting how the product is the number one doctor-recommended brand and how its performance is driven by science.

EXHIBIT 8-1 This ad for ELVIVE Total Repair 5 uses a straight sell execution.



Source: L'Oréal International

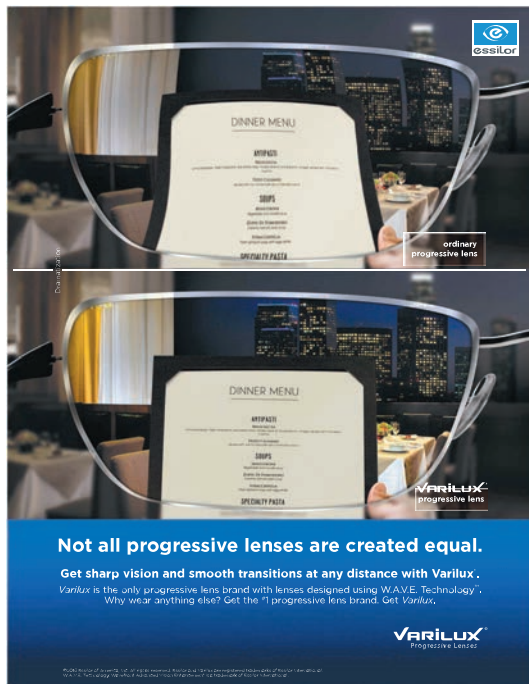
EXHIBIT 8-2 Opti-Free promotes how it is the number one doctor-recommended brand to support the product performance claim.



Source: Alcon, A Novartis Company

DEMONSTRATION

EXHIBIT 8-3 Varilux demonstrates the superiority of its progressive lenses.



©Varilux by Essilor of America, Inc.

Demonstration is designed to illustrate the key advantages of the product by showing it in actual use or in a staged situation. Demonstration executions are effective in convincing consumers of a product's utility or quality and of the benefits of owning or using the brand. Video is particularly well suited for demonstration executions, since the product benefits are shown visually. Although perhaps a little less dramatic, demonstration ads also work in print media. The Varilux progressive lens ad shown in **Exhibit 8-3** uses this style, in print and other media, to demonstrate the superiority of its progressive lenses with W.A.V.E. technology over ordinary progressive lenses by contrasting the clarity of the two images.

COMPARISON

A comparison execution style—direct, indirect, or visual—is an option for advertisers. Direct brand comparisons are advertising executions to communicate a competitive advantage or to position a new or lesser-known brand with industry leaders. For example, some Samsung phone ads directly compared it to the iPhone. Over the years, visual comparison ads for Dove beauty bar versus unidentified competitors like beauty soap, hygiene soap, and natural soap communicated its gentleness. A litmus test for each type of soap showed the others as harsh, leading to dry skin. Although previous research found little support for the effectiveness of comparative ads, one study found positive results for the situation where a challenger brand compares itself to a category leader.¹

TESTIMONIAL

EXHIBIT 8-4 The image of the rider suggests a testimonial executional style.



©ValeStock/Shutterstock

A testimonial execution style features a person praising the product on the basis of their personal experience. Testimonial executions have ordinary satisfied customers describe their own experiences with the brand and the benefits of using it. This approach is effective when the person delivering the testimonial is someone with whom the target audience can identify or who has an interesting story to tell. The testimonial is based on actual use of the product to avoid legal problems. An advertiser may prefer a testimonial to add a personal touch to the message delivery. For example, the bicycle rider in **Exhibit 8-4** acts as an indirect testimonial support for the “Ride to Conquer Cancer” fundraising activity and reinforces the idea of collective humanity. Finally, testimonials are particularly effective when they come from a recognizable or popular person.

SLICE OF LIFE

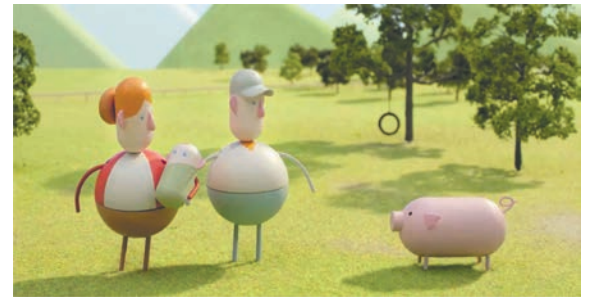
A slice-of-life execution style presents a reasonably realistic consumer situation to communicate a product feature or benefit. Often, the execution includes a voiceover narration to elaborate on the situation. Packaged goods products typically adopt this execution style more than other product types. Slice-of-life executions are criticized for being irritating because they embarrassingly remind consumers of problems of a personal nature (e.g., dandruff, bad breath) and various cleaning problems. The style is also criticized as being contrived, silly, phony, or unrealistic, especially in some versions using a problem-solution approach. However, advertisers prefer this style for certain marketing communication issues where a clear and simple message of everyday consumption is required.

The slice-of-life execution style requires particularly careful production planning to illustrate a supposedly real-life situation that consumers encounter. Getting viewers to identify with the plot or characters depicted is challenging. Since the success of slice-of-life ads depends on how well the actors execute their roles, professional actors are used to achieve credibility and to ensure that the commercial is of high quality. Advertisers with low production budgets may not be able to afford to hire the talent or to pay for the production quality needed to effectively create slice-of-life ads.

ANIMATION

With animation, scenes are drawn by artists or created on the computer, and cartoons, puppets, or other types of fictional characters may be used. Cartoon animation is especially popular for commercials targeted at children for products like toys and cereal and elsewhere. Nike created 100,000 customized animated films, one for each member of its Nike+ community of fitness members. They emailed the finished product, which told the personal story of each individual's training experience. Data derived from the community membership provided the content of the story. Each story showed familiar landmarks from the individual's training regime and encouraged the runner to achieve higher goals for the coming year.² Chipotle's ad shown in **Exhibit 8-5** won for best film message at Cannes, quite an achievement for the use of animation!

EXHIBIT 8-5 Chipotle's "Back to the Start" Cannes Lions Film Grand Prix Winner used computer-generated animation.



Source: Chipotle/Cannes Lions International Advertising Festival Winner

PERSONALITY SYMBOL

Another advertising execution involves developing a spokescharacter or personality symbol that delivers the advertising message. The personality symbol is associated with the brand and ad creativity to enhance brand awareness and contribute to intended brand attitude effects.³ Recent research replicated past studies examining the frequency of a spokes characters in print ads. A comparison of a recent year's usage versus historic usage (e.g., the 1950s and 1990s) found increased use of spokescharacters (14% versus 8%), higher active persuasion of the spokescharacter (57% versus 39%), greater use of animals (49% versus 23%), and less personification of the animals (16% versus 60%).⁴

Shock Top gained notoriety by creating a wisecracking beer tap (**Exhibit 8-6**) for a Super Bowl campaign designed by a Canadian ad agency based in Toronto. Anomaly introduced a personality symbol in the likeness of the Wedgehead image found on the label of Labatt's Shock Top brew. Unsuspecting patrons in Toronto and Montreal interacted with the remote-controlled animatronic creation, who wisecracked his way through many types of conversations. Messages ended with the ironic "It speaks for itself" slogan. Video recordings of the conversations found their way to social media. American executives watched the Canadian success with interest. Looking to expand the brand's awareness beyond 40%, they claimed the creative idea for a Super Bowl 50 ad as the brand's first on broadcast TV. The ad featured comedian TJ Millar trading humorous barbs with the Wedgehead character; score another international coup for Canadian ad creatives!⁵

EXHIBIT 8-6 Shock Top's Wedgehead represents both animation and a personality symbol.



©Stars and Stripes/Alamy Stock Photo

EXHIBIT 8-7 The "Cleaner of Your Dreams" campaign reinvigorated the image for a longstanding personality symbol.



Source: Procter & Gamble

The image of Mr. Clean was significantly altered with an award-winning campaign. Research showed that the brand lacked distinctiveness and appeared generic, old-fashioned, and unworthy of a premium price, but brand image tracking studies and sales data indicated positive spikes with social media publicity. For example, a Facebook video of his muscles bouncing to the Mr. Clean jingle set

record engagement levels, which supported the data indicating Mr. Clean retained enduring sex appeal. Secondary research revealed that both males and females contributed to household cleaning. A commercial called “Cleaner of Your Dreams” opens with a woman in the kitchen dreading cleaning chores when suddenly Mr. Clean saunters onto the scene and cleans as he dances suggestively. Later, viewers see that it is the woman’s spouse who is actually cleaning and that Mr. Clean is a fleeting fantasy. The ad ends with the woman passionately embracing her husband and the slogan “You gotta love a man who cleans” appearing. The ad first aired during the Super Bowl and received considerable news media and social media publicity (Exhibit 8-7).

Researchers examined the 2,700 tweets of Mr. Clean and 19 other personality symbols over a two-year interval to understand the effects of the brand’s communication in social media. The tweets ranged from a low of 44 to a high of 429 and averaged 136. Mr. Clean hit 67 tweets as the researchers collected the data prior to the above campaign in which Mr. Clean actively tweeted. More tweets occurred during July to November, Wednesday to Friday, and in the morning.⁶ As this example illustrates, the creative decisions carry over to many other IMC programs once established in advertising media. However, a cautionary point on making personality symbols too human is illustrated with the funeral ad of Mr. Peanut. Many did not take too kindly to the scenario in social media, even though a tear from the Kool-Aid jug mascot brought the legume back to life.⁷

IMAGERY

EXHIBIT 8-8 Jeep uses an imagery execution style to communicate its off-road capability.



Jeep®

Some ads contain little or no information about the brand or company and are almost totally visual. These advertisements use imagery executions whereby the ad consists primarily of visual elements such as pictures, illustrations, and/or symbols rather than information. An imagery execution is used when the goal is to encourage consumers to associate the brand with the symbols, characters, and/or situation shown in the ad. Imagery ads are often the basis for emotional appeals that are used to advertise products or services where differentiation based on physical characteristics is difficult.

An imagery execution may be based on **usage imagery** by showing how a brand is used or performs and the situations in which it is used. For example, advertising for trucks and SUVs often shows the vehicles navigating tough terrain or in challenging situations such as towing a heavy load. The Jeep ad shown in Exhibit 8-8 uses off-road driving imagery to convey the rugged durability of the 4x4 technology and design.

EXHIBIT 8-9 Advertising for Yes To creates a fun and irreverent image for the brand.



This type of execution is also based on **user imagery**, where the focus is on the type of person who uses the brand. Ads for cosmetics often use very attractive models in the hope of getting consumers to associate the model’s physical attractiveness with the brand (see Exhibit 8-9). Image executions rely heavily on visual elements such as photography, colour, tonality, and design to communicate the desired image to the consumer. Marketers who rely on image executions ensure that the usage or user imagery with which they associate their brand evokes the right feelings and reactions from the target audience.

DRAMATIZATION

Dramatization is an execution style particularly well suited to video since it uses excitement and suspense to draw the viewer into the action it portrays. A dramatization execution style exhibits characters and a plot, with no narration. In comparison, a typical straight sell execution style exhibits narration (e.g., a spokesperson making benefit claims) with no characters or plot. A typical demonstration execution style features narration and plot (e.g., showing that detergent gets clothes clean) with no characters. And most of the time, a slice-of-life execution style includes all three points, narration (e.g., voiceover), characters, and plot.⁸ Dramatization is successful because the receiver becomes lost in the scene and experiences the feelings of the characters.⁹

Source: YESTO, Inc.

HUMOUR

Like comparison, humour was discussed in **Chapter 7** as a type of message appeal, but this technique is also used as a way of presenting other message appeals. To understand the difference between the appeal and the execution with respect to humour, one study concluded that humour with low complexity (e.g., a silly scene) is used within an execution style to garner attention without any direct brand linkage and is not persuasive, while more complex humour (e.g., amusement within the main message) with direct brand linkages is persuasive.¹⁰

For example, an ad for the Hyundai Genesis automobile featured actor/comedian Kevin Hart playing an overprotective father who lends his new Genesis—equipped with Hyundai’s Blue Link Finder feature—to his daughter’s date so he can track the couple. The ad shows Hart spying on the couple to demonstrate the technology (**Exhibit 8-10**). In some ways, this is a rational message appeal as an attribute’s function is communicated; however, the execution of the appeal is certainly funny (for most people). Note that the attribute could have been explained with a serious message of safety with a testimonial or dramatization execution style.

EXHIBIT 8-10 Hyundai uses a humour execution style to demonstrate the function of its new technology.



Source: Hyundai Motor America

LO2 Message Structure

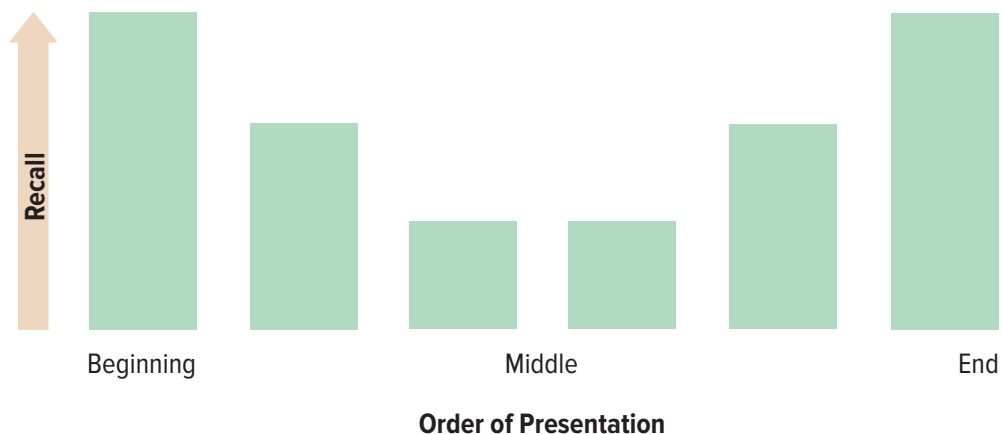
Marketing communication usually consists of a number of message points that the communicator wants to convey, as advertising messages have an important information provision characteristic. Extensive research explained how the structure of an advertising message influences its persuasive effectiveness, including order of presentation, conclusion drawing, message sidedness, and verbal/visual balance. These first three message structure points mostly focus on the written words of a print message or the announcer in a video or audio message, while the last addresses the importance of visuals to deliver the message.

ORDER OF PRESENTATION

One consideration in the design of a persuasive message is the arguments’ order of presentation. Should the most important message points be placed at the beginning of the message, in the middle, or at the end? Research on learning and memory generally indicates that items presented first and last are remembered better than those presented in the middle (see **Figure 8-1**).¹¹ This suggests that a communicator’s strongest arguments is presented early or late in the message but never in the middle.

Presenting the strongest arguments at the beginning of the message assumes a **primacy effect** is operating, whereby information presented first is most effective. Putting the strong points at the end assumes a **recency effect**, whereby the last arguments presented are most persuasive. With the advent of multiple media, the presentation of the main message at the end may be to experience the additional messages online.

FIGURE 8-1 Ad message recall as a function of order of presentation



Whether to place the strongest selling points at the beginning or the end of the message depends on several factors. If the target audience is opposed to the communicator's position, presenting strong points first reduces the level of counterarguing. Putting weak arguments first might lead to such a high level of counterarguing that strong arguments that followed would not be believed. Strong arguments work best at the beginning of the message if the audience is not interested in the topic, so they can arouse interest in the message. When the target audience is predisposed toward the communicator's position or is highly interested in the issue or product, strong arguments can be saved for the end of the message. This may result in a more favourable opinion as well as better retention of the information.

The order of presentation is critical when a long, detailed message with many arguments is being presented. For short communications, such as a 15- or 30-second TV or radio commercial, the order may be less critical. However, consumers receive many product messages with low involvement and minimal interest. Thus, an advertiser may want to present the brand name and key selling points early in the message and repeat them at the end to enhance recall and retention. One study strongly concluded that the brand name should be identified at the start of a TV ad to enhance its persuasive ability.¹²

IMC Perspective 8-1 summarizes a significant video message from Kruger to illustrate the application of message structure and design creative tactics.

IMC PERSPECTIVE 8-1

KRUGER APPEALS TO HUMANS^B

The “Unapologetically Human” ad by Kruger to communicate its Cashmere, Purex, Scotties, and Sponge Towel brands presents innovative creative tactics for both message structure and video design. The ad shows a montage of scenes that shows the need for each of its paper products (e.g., bathroom tissue, facial tissue, paper towel). A number of captivating scenes are presented while the song “Human” is sung with great emotion for 90 seconds.

The one-sided message clearly concludes that Kruger products are part of every person's life for every aspect of our life on every single day. Everyone relates to the messy, sad, and challenging scenes the people of many backgrounds experience in the video. From a presentation standpoint, the message reinforces a fundamental human problem and the Kruger product solution continuously from start to finish. In short, the suggestion to put a key message at the start or finish is completely avoided.



Kruger Inc.

From a design standpoint, the video holds the attention of the viewer with numerous provocative scenes that are interspersed with each other. For example, the video starts with a couple in a car and their tears clearly indicate

they are having a difficult conversation and are in need of the Scotties tissues sitting on the dash. Later, the video shows a few other scenes of the couple, and the video ends with them as well. Other scenarios show wet and sticky accidents, messy celebrations, sad moments, and athletic mishaps in collage that moves from conflict to euphoria. And in many of these scenes the viewer notices Kruger products in the foreground or background.

The viewer's attention is also held with the constant changing of the scenes. A number of them last for two or three seconds for much of the video, but at one point about six are flashed over a three-second sequence. Thus, the change of the pace of the video keeps viewers from being drawn away because of constant repetition. And the deliberate pace of the music works well with the longer scenes, and its uplifting crescendo is in perfect alignment with the quick flash of the scenes later in the ad.

The ad works well within the broader Kruger IMC strategy. The company adapted the ad for the US market. Also, the company is noted for its strong commitment for corporate social responsibility. For example, it organized a #RollingItForward initiative to help people during 2020, a few months prior to the ad launch. So this ad reinforced this overall image. And finally, a new agency conceived the ad on a project basis and subsequently became the agency of record after the success of the “Unapologetically Human” ad.

QUESTION

1. What cognitive and emotional responses from viewers would Kruger expect from this ad?

CONCLUSION DRAWING

Marketing communicators decide whether their messages explicitly draw a firm conclusion or allow receivers to draw their own conclusions. Research suggests that, in general, messages with explicit conclusions are more easily understood and effective in influencing attitudes. However, other studies have shown that the effectiveness of conclusion drawing may depend on the target audience, the type of issue or topic, and the nature of the situation.¹³

More highly educated people prefer to draw their own conclusions and may be annoyed at an attempt to explain the obvious or to draw an inference for them. But stating the conclusion may be necessary for a less educated audience, who may not draw any conclusion or may make an incorrect inference from the message. Marketers also consider the audience's level of involvement in the topic. For highly personal or ego-involving issues, message recipients may want to make up their own minds and resent any attempts by the communicator to draw a conclusion. One study found that open-ended ads (without explicit conclusions) were more effective than closed-ended arguments that did include a specific conclusion—but only for involved audiences.¹⁴

Whether to draw a conclusion for the audience also depends on message complexity. Even a highly educated audience may need assistance if their product category or brand knowledge is low. Furthermore, does the marketer want the message to trigger immediate action or build a long-term effect? Ads typically draw a definite conclusion when there is an immediate call to action in the message. Alternatively, an open-ended message is feasible when repeated exposure provides the target audience opportunity to draw their own conclusion over time. Drawing a conclusion in such a message may ensure the target audience understands the intended point, but advertisers might prefer consumers draw their own conclusion as a reinforcement. The ad for the Hyundai Tucson in **Exhibit 8-11** makes a clear conclusion on how the CUV fulfills the needs of the target audience.

EXHIBIT 8-11 This Hyundai Tucson ad makes a direct conclusion.



BREAK FREE.

THE ALL-NEW 2016 *TUCSON*

Escape the endless repetition of eat, sleep, work, repeat. Break free from the everyday with a powerful and efficient 1.6 litre turbocharged engine and all-wheel drive performance*. The all-new 2016 Tucson has arrived; prepare yourself to experience a CUV that will exceed your every expectation. This is the **H-Factor**.

hyundaicanada.com

2015 IIHS TOP SAFETY PICK+

WHEN EQUIPPED WITH AVAILABLE AUTONOMOUS EMERGENCY BRAKING. For more information visit www.iihs.org

H-Factor

*The Hyundai Tucson, Sport, Premium, Hybrid, and Plug-in Hybrid are equipped with standard all-wheel drive. Availability varies.

©Hyundai Auto Canada Corp.

MESSAGE SIDEDNESS

Another message structure decision for advertising involves message sidedness. A **one-sided message** makes positive attribute or benefit claims. One-sided messages are most effective when the target audience already holds a favourable opinion about the topic. In contrast, a **two-sided message** presents both good and bad points about the brand. The logic of a two-sided message is that identifying an attribute or benefit shortcoming enhances credibility, leading to message acceptance. Two-sided messages are more effective when the target audience holds an opposing opinion or is highly educated. A better-educated audience usually knows there are opposing arguments, so a communicator who presents both sides is likely seen as more objective.

A meta-analysis of the research conducted on the effects of one- versus two-sided advertising messages showed that the persuasive impact of message sidedness depends on factors such as the amount and importance of negative information in the ad, attribute quality, placement of the negative information, the correlation between negative and positive attributes, and whether the advertiser discloses negative information voluntarily or because it is required to do so. In particular on the placement point (i.e., presentation order), brand attitudes and purchase intentions are enhanced if the negative information is at the end of the argument.¹⁵ Most advertisers use one-sided messages to minimize the negative effects of acknowledging a product weakness or to avoid indirectly making a positive competitor claim. However, there are exceptions, such as when advertisers compare brands on several attributes and do not show their product as being the best on every one, or when a company acknowledges its shortcomings and communicates how it has improved.

W.K. Buckley Limited became a leading brand of cough syrup by using a blunt two-sided slogan: "Buckley's Mixture. It tastes awful. And it works." This successful message did not extend to Buckley's pills and capsules, which contained no taste or flavour. Consumers did not associate the established effectiveness benefit to the same brand, and over time consumer awareness of the product extension remained weak. Research indicated that loyal Buckley's syrup users switched to Tylenol or Advil when they needed pill/capsule portability, and they also believed that Buckley's syrup and pills/capsules performed better than either competitor. Consequently, Buckley's adapted its historic blunt and direct advertising message with a twist.

Buckley's dressed its existing spokesperson of past ads to look like the branded pill/capsule to plainly show that the alternative format existed. And while the spokesperson extolled the virtues of the product, he complained about being in the pill suit. Moreover, he strongly encouraged consumers to buy the product so he could stop being in the suit for future ads if sales grew! Consumers saw the video message on TV for 15 and 30 seconds in both English and French. Six-second pre-roll videos also ran at the same time, leading Google to identify this as an example of how to run short ads. The frequency of the message during cold season resulted in a 15% gain in sales versus 4% category sales growth and a 0.5% increase in dollar and units market share.¹⁶

A special type of two-sided message is known as a **refutation**. The communicator presents both sides of an issue and then refutes the opposing viewpoint. Since this tends to "inoculate" the target audience against a competitor's counterclaims, refutation is more effective than one-sided messages in making consumers resistant to an opposing message.¹⁷ Refutational messages may be useful when marketers wish to build attitudes that resist change and must defend against brand or company criticism. For example, market leaders faced with competitive comparative messages acknowledge competitors' claims and then refute them to build resistant attitudes of their own target audience.

VERBAL/VISUAL BALANCE

EXHIBIT 8-12 The images in this Egg Farmers of Ontario ad show how easy it is to make a nutritious appetizer with eggs.



Hand-out/Egg Farmers of Ontario/Newscom

Thus far the discussion has focused on the information, or verbal, portion of the message. However, the nonverbal, visual elements of an ad are very important. Many ads provide minimal amounts of information and rely on visual elements to communicate. Pictures are commonly used in advertising to convey information or reinforce copy or message claims. Advertisers design ads where the visual image supports the verbal appeal to create a compelling impression. The ad in **Exhibit 8-12** relies on the visual to communicate the ease and nutritional value of the appetizer.

Consumers typically respond to the visual elements of an ad, such as an illustration in a print message or the scenes of a video message. Both the verbal and visual portions of an ad influence how the advertising message is processed. Research on this point concluded a number of key findings. Initial research concluded that consumer processing of ads varied by verbal versus visual messages, whether the verbal message provided a cue on how to interpret the visual message, and the type of benefit claim identified in the verbal message.¹⁸ The implication of this early research indicated that the relationship balance of visual and verbal parts of an ad required careful consideration to ensure specific ad processing for the target audience. A study examining the above result in a specific direction found that the visual portion of an ad may reduce its persuasiveness, since the processing stimulated by the picture may be less controlled and consequently less favourable than that stimulated by words.¹⁹

Other research investigated communication effects instead of processing. One study looked at the unique impact of an ad's verbal elements and an ad's visual elements on brand attitude and attitude toward the ad, indicating that the design of the ad required consideration of all four relationships to achieve ad effectiveness.²⁰ Similar research concluded that verbal elements influenced objective brand evaluations, visual elements influenced affective brand evaluations, and visual elements contributed to stronger awareness.²¹ Another study showed that when verbal information was low in imagery value, the use of pictures providing examples increased both immediate and delayed recall of product attributes. However, when the verbal information was already high in imagery value, the addition of pictures did not increase recall.²² An implication of this finding is that for involved target audiences, a verbal message is effective for persuading consumer awareness; however, pure text still requires supporting visuals to heighten motivation.

Finally, advertisers design ads in which the visual portion is incongruent with or contradicts the verbal information presented, akin to the idea of creative divergence discussed in **Chapter 7**. The logic behind this idea is that the use of an unexpected picture or visual image attracts consumers' attention and requires greater mental effort during processing.²³ Research concluded that the use of a visual that is inconsistent with the verbal content leads to greater processing of the information presented and stronger recall.²⁴

IMC Perspective 8-2 summarizes the story of McDonald's ads to illustrate an example that is almost 100% visual.

IMC PERSPECTIVE 8-2

MOVING DAY WITH MCDONALD'S^c

In Quebec, some people celebrate July 1 as moving day. It is the annual date when leases expire, with people packing up and locating to a new apartment or house. For a number of years, McDonald's released ads with a moving day theme with the intention of swaying consumers to order something other than the traditional meal of pizza. Working with their agency Cossette, the quick-service restaurant launched visually striking ads to remind consumers to keep the popular brand top of mind.

In the past, images included moving-related things like tape and painting swatches. A couple of years ago, the ads showed iconic food with simple moving boxes. For example, one ad represented its fries with two red horizontal boxes as a base and three golden vertical boxes as the food on top. A simple signature ended the ad with the golden arches logo and a Happy Moving Day message. McDonald's keeps events like moving day, Valentine's Day, and Halloween open for the agency to propose creative ideas for short-term messages. The task is so popular with the creative personnel at Cossette that employees not even working on the McDonald's account send the creative director ideas!

A more recent execution showed moving trucks filled with the usual assortment of household goods. One arranged the items to look like a Big Mac, intending them to represent a family moving into a new neighbourhood. Another ad showed things organized to look like fries, intending them to be the apartment contents of a young man moving into his first apartment. The third installment signified a young couple moving into a condo with their stuff looking like an Egg McMuffin.

Production of the ads took considerable time and effort. Each presentation consisted of 80 to 100 items carefully arranged to look like the food. Retrieval of the items for the ultimate photography featured "scavenger hunt" activities, with Cossette personnel lending things from their garages! The production team expressed considerable pride in developing the images without any use of computer-generated imagery except for very light shading after the primary photo shoots.

With such exceptional creativity and production it is not surprising to hear that McDonald's reports that its moving day ads generate the most significant positive sentiment in social media. The striking imagery of this recent example is a classic representation of the iconic McDonald's food imagery such that the ads did not even require the signature. But the brand resisted the idea and kept a similar signature and added a McDelivery reminder.



8th.creator/Shutterstock

QUESTION

1. What would you propose for an upcoming moving day campaign?

LO3 Design Elements for IMC

The design and production of advertising messages involves a number of activities, including writing copy, developing illustrations and other visual elements of the ad, and bringing all of the pieces together to create an effective message. This section examines the verbal and visual elements of an ad and discusses tactical considerations in creating print, video, and audio messages. These three general media delivery terms apply to design elements of any print, video, or audio media distributed through advertising or other IMC programs.

DESIGN FOR PRINT MESSAGES

The design elements of a print media (e.g., magazine, newspaper) message are the headline, the body copy, the visual or illustration, and the layout. These four elements apply to other media that display a print-like message, such as outdoor or digital. The headline and body copy are the responsibility of the copywriters; artists, often working under the direction of an art director, are responsible for the visual presentation. Art directors also work with the copywriters to develop a layout, or arrangement of the above elements. These four design elements are now identified.

Headline

EXHIBIT 8-13 The headline of this UPS ad is designed to attract the attention of small business owners.



Source: United Parcel Service of America, Inc.

The **headline** is the words in the leading position of the ad designed to draw the attention of most people in the target audience and expected to be read first. Headlines are usually set in larger, darker type and are often set apart from the body copy or text portion of the ad to give them prominence. The type of headline in an ad depends on the creative strategy, the particular advertising situation (e.g., product category, product type, media vehicle), and its relationship to other design elements (e.g., illustration, body copy). The headline in the UPS ad in **Exhibit 8-13** appeals to small business owners who rely on daily deliveries to operate and serve their customers. The headline attracts attention by using an unlikely premise and draws people into the ad copy which explains how UPS Accent Point locations serve more than 8,000 neighbourhood businesses.

The most important function of a headline is attracting readers' attention and interesting them in the rest of the message even though the visual portion of an ad is obviously important. According to research, the headline is generally the first thing people look at in a print ad, followed by the illustration. In addition, the headline provides the reader with a good reason to read the words of the ad, which contain detailed and persuasive product information. To do this, the headline puts forth the main theme, appeal, or proposition of the ad in a few words. Some print ads contain little if any words, so the headline works with the illustration to communicate the entire advertising message. Headlines also perform a segmentation function by attracting the attention and interest of consumers who are most likely to buy a particular product. Advertisers begin the segmentation process by choosing to advertise in certain media vehicles (e.g., a fashion magazine, national newspaper, or out-of-home). An effective headline goes even further in selecting good prospects for the product by addressing their specific needs, wants, or interests.

Types of Headlines

Direct headlines communicate a straightforward and informative message and usually indicate the target audience the message is directed toward. Common types of direct headlines include those offering a specific benefit, making a promise, or announcing a reason why the reader should be interested in the product. Direct headlines are generally recommended since it provides a clear motive for the receiver to continue reading the remainder of the printed message or experience the visual image.

Indirect headlines are not straightforward in identifying the product message or signalling the target audience, but they are effective at attracting readers' attention and interest. Techniques for writing indirect headlines include using questions, provocations, how-to statements, and challenges. These types of indirect headlines generate curiosity or intrigue so as to motivate readers to become involved with the ad and read the full ad to understand the complete message. This approach increases the probability that the receiver will not look at the remainder of the ad if the headline is not provocative enough to spark their interest. Advertisers typically use a visual image that holds the reader's attention by offering another reason to process the rest of the message.

Subheads are usually smaller than the main headline but larger than the rest of the ad's texts (i.e., body copy). While ads usually have one headline, it is also possible to see print ads containing the main head and one or more secondary headlines. Subheads appear above or below the main headline or within the body copy. Subheads enhance the readability of the message by breaking up large amounts of body copy and highlighting key sales points.

Body Copy

The main text portion of a print ad is referred to as the **body copy** (or just *copy*) and it is the main verbal delivery of the ad's message. Advertising body copy is written to go along with any message appeal or execution style. Furthermore, copywriters select body copy that is appropriate for the creative strategy (i.e., theme, message appeal, source) and supports the creative tactics, like the message structure and other design elements. While the body copy is usually the heart of the print advertising message, getting the target audience to read it is often difficult. The copywriter faces a dilemma: The body copy must be long enough to communicate the advertiser's message yet short enough to hold readers' interest. **Exhibit 8-14** presents an ad in which the information of the body copy mirrors the headline with extra elaboration.

Body copy content flows from the points made in the headline or subheads, but the specific content depends on the type of message appeal or execution style. For example, straight sell copy presenting relevant information, product features and benefits, or competitive advantages is often used with rational appeals. Emotional appeals use narrative copy that tells a story or provides an interesting account of a problem or situation involving the product. One study, the first of its kind, used an eye-tracking methodology to see where readers focused their attention for the most time when reading body copy. The findings suggested that some sentences resulted in greater fixation and more time. Sentences with both attribute and benefit information produced the greatest effect, followed by benefits sentences only, attribute sentences only, concluding "kicker" sentences, introductory sentences, and finally product-relevant neutral sentences.²⁵

Visual

The third major design element of a print ad is the visual. The illustration is a dominant part of a print ad and plays an important role in determining its effectiveness. The visual portion of an ad attracts attention, communicate an idea or image, and work in a synergistic fashion with the headline and body copy to produce an effective message. In some print ads, the visual portion of the ad is essentially the message and thus conveys a strong and meaningful image. The Quebec Milk Producers ad shown in **Exhibit 8-15** contains important visual elements like the delicious treats that are more enjoyable when drinking a cool glass of milk.

Decisions regarding the visual portion of the ad include what identification marks are included (brand name, company or trade name, trademarks, logos); whether photos or hand-drawn or -painted illustrations are used; what colours to use (or even perhaps black and white or just a splash of colour); and what visuals are used. Even the number of pages of visual ads is critical, as in the case of fashion products or automobiles. One study finds that advertisers should use fewer pages (e.g., 4 to 6) versus more pages (e.g., 8 to 10) and insert the ads more frequently.²⁶ Another study found that comparison ads showing the image of a brand and its competitor should have the sponsored brand's image on the right hand side of the pages.²⁷ **Exhibit 8-16** shows an ad where the visual supports the copy and the call to action.

EXHIBIT 8-14 The body copy for this ad supports the headline by suggesting a good time at The Keg.



©Keg Restaurants Ltd.

EXHIBIT 8-15 The delicious imagery of the treats gives a good reason to enjoy drinking a glass of milk.



©Quebec Milk Producers - AD - 2015

EXHIBIT 8-16 This ad uses a clever visual image to suggest readers visit the Internet site.



©Jamaica Tourist Board

One research publication noted a trend of brands using unrealistic visual images (e.g., hand-drawings, rotoscoped animation) compared to realistic visual images through photographs. In a series of studies for print and digital video media, the findings indicated that brands intending to communicate perceived benefits should use realistic visuals. However, products with unhealthy characteristics (e.g., candy) might benefit from unrealistic visual images since consumers would not focus on the negative consequences of consumption.²⁸ Applying this finding to **Exhibit 8-16** suggests the importance of the showing the realistic ocean view to communicate the benefit of the beach experience while the stylized silhouette mitigates the perceived risk of too much sun exposure.

Layout

A **layout** is the physical arrangement of the various parts of the ad, including the headline, subheads, body copy, illustrations, and any identifying marks. While each individual element of a print ad is important, how these elements are blended and arranged into a finished advertisement is also critical. The layout shows where each part of the ad will be placed and guides people working on the ad. For example, the layout shows the copywriter how much space is available to work with and how much copy is written. The layout guides the art director in determining the size and type of photos. Most layouts are standard poster format shown in a portrait orientation, although landscape formats do occur. Sometimes

there are vertical or horizontal splits, with the latter being a separation between the visual and body copy. An optimal layout is an artistic expression of the brand as it achieves balance among the space, visuals, and colours.

DESIGN FOR VIDEO MESSAGES

Video messages combine design elements of audio and visual motion to create an unlimited number of advertising appeals and executions. Video messages occur in instances beyond television, as they are seen at theatres, in place-based locations, and online. Across much of these media, the viewer does not control the rate at which the message is presented, providing no opportunity to review key points of interest that are not communicated clearly. However, online technology places control in the hands of viewers, allowing multiple views or skipping messages entirely. Nevertheless, the goal of capturing and maintaining a viewer's attention remains important in creating a video message since receivers may be doing other activities or may be exposed to multiple messages at the same time. One study evaluated 10 creative tactics to assess their effect on attention and attitude to the ad using self-report (e.g., ad recall) and physiological measures (e.g., eye-tracking). Creative tactics that contributed positively to both effects included humour, realistic animal visuals, and slogans, while creative tactics that contributed negatively to both effects included animated animal visuals, voiceovers, and package visuals.²⁹

Visual

The visual design elements of a video (i.e., TV commercial, online ad) are what the consumer sees on the screen and they generally dominate the presentation. A number of visual design elements are decided upon and coordinated to produce a successful ad. Decisions include the product's visual portrayal, the presenter, the storyline (e.g., action sequence, demonstration, drama), the talent or characters appearing in the storyline, the location or setting, and other presentation factors (e.g., graphics, colour, brand logo, slogan) symbols. Video messages are generally expensive due to production personnel, equipment, location fees, video editing, sound recording and mixing, music fees, and talent.

A significant video design element is the length of the video message, which varies significantly. TV commercials are typically 15, 30, or 60 seconds, but shorter ones (e.g., 7 seconds) and longer ones of 90 or a full two minutes do occur. In general, past research identified a marginal diminishing return of longer commercials with respect to ad recall. One recent study investigated the ad recall of TV commercials with 7-, 15-, 30-, and 60-second lengths and concluded that the non-linear relationship remained with four different commercial lengths.³⁰

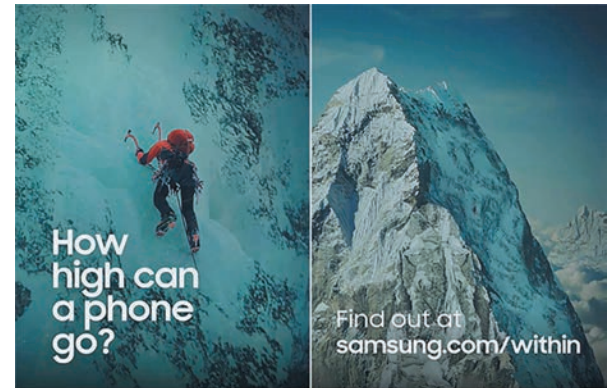
Short online video ad messages of a few seconds occur before a viewer watches video content (e.g., pre-roll). Longer online videos of a brand lasting four or five minutes also occur. Advertisers place these messages in social media to encourage

sharing. Known as micro-film or mini-film advertising, this message format originates from an identified sponsor; is used to motivate online viewing, discussion, and distribution without further payment; and is intended to persuade. Results of the first ever empirical study concluded that enjoying the story is the only motivator for people to forward the message, however the enjoyment does lead to stronger brand attitude.³¹ These longer video messages are intended to be more entertaining with an interesting storyline and visual imagery. One study concluded that the level of entertainment has an inverted U-shaped relationship with purchase intent, and the entertainment influences purchase intent when placed after brand identification but not when placed before it.³²

Samsung developed a global campaign called “Samsung Within” using interactive web and mobile video experiences. The series depicted Samsung’s legacy as a company and told the story of how Samsung pushes the limits of technology to develop products that perform in extreme conditions. For example, one series of the digital campaign took viewers to the virtual top of Mt. Everest to show that a Samsung Galaxy phone made the first 3G call from the summit of the world’s highest mountain peak (**Exhibit 8-17**).

In contrast, low-budget messages occur on TV and online. Local businesses using TV commercials are financially restricted to simple production methods, such as a customer testimonial or demonstration from the owner. With Canada’s smaller population relative to the United States, by comparison it is difficult to achieve economies of scale for lavish or high-cost productions. Creative executions and the accompanying video are designed with lower costs in mind. However, quality video everywhere may emerge as digital recording technology costs become more economical in future. Surprisingly, a tactic of recording someone writing something down or doing a simple task has taken off on the Internet as an example of low-budget digital messages. Low-budget ads also manifested with user-generated ads. Research suggests that user-generated ads influence brand loyal customers who are not capable of scrutinizing the message and who are given information about the ad creator.³³

EXHIBIT 8-17 Samsung successfully used digital video to communicate its Galaxy phone.



Source: Samsung

Verbal

Depending on the execution style, delivery of a video’s verbal message occurs with a dialogue or conversation among a group of people within a script, or the direct presentation by a visible spokesperson. One alternative approach for executing the latter is through a **voiceover**, where the message is delivered or action on the screen is narrated or described by an announcer who is not visible. Advertisers use a voice that works with the message and brand as the tone provides a distinctive resonance influencing emotional responses. In either of these two cases, the conversation or the presentation is the equivalent of the body copy seen in a print message. Important attributes or benefits are communicated directly or indirectly depending on the creative strategy and the other creative tactic decisions.

Sound

Music is also an important design element for sound since it acts structurally in an ad, much like grammar in a sentence, and supports the time sequence, motion, repetition, brand identification, and emotion experienced.³⁴ Music can be a central element as it is used to get attention, break through the advertising clutter, communicate a key selling point, establish an image or position, or add feeling.³⁵ Music also creates a positive mood that makes the consumer more receptive toward the advertising message.³⁶ Other research on consumers’ cognitive and affective responses to music in advertising found that increased congruity between the music and advertising with respect to variables such as mood, genre, score, image, and tempo contributes to the communication effectiveness of an advertisement by enhancing recall, brand attitude, affective response, and purchase intention.³⁷ The most recent investigation of music in a sample of TV ads found 90% usage, higher usage for low-involvement products, greater usage in the foreground (67%), continuous usage throughout the ad (80%), a strong fit between the music with the narrative of the storyline, and finally a prevalence of pop music and the prominent genre.³⁸

Two other music elements include a jingle and a needledrop. A **jingle** is a catchy song about a product that delivers the advertising theme, communicates a simple message, or identifies the brand at the end of the message. A **needledrop** is prefabricated, multipurpose, and highly conventional music, much like stock photos used in print ads.³⁹ This is an option for background music or when an advertiser cannot afford to pay royalties for a popular song or does not have the budget for an original composition.

Production of Video Messages

The elements of a video message are brought together in a **script**, a written version of a message that provides a detailed description of its audio and video content. The audio elements include the copy spoken by voices, the music, and sound effects. The video portion includes camera actions and angles, scenes, transitions, and other important descriptions. The script also shows how the video corresponds to the audio portion of the commercial. After establishing the script, the writer and art director produce a storyboard or animatic to present the visual plan (discussed in **Chapter 7**). Like a layout for a print ad, the storyboard or animatic provides those involved in production and approval with an approximation of what the final ad will look like before moving to the production as shown in **Figure 8-2**. Before these three phases begin, the client usually reviews and approves the creative strategy and tactics of the advertising message.

FIGURE 8-2 The three phases of production for commercials



DESIGN FOR AUDIO MESSAGES

Audio messages are mostly delivered through radio, and that is the context for most of the design guidelines; however, digital opportunities make audio messages more prevalent. For example, audio messages are included in podcasts, and certainly any ad on the Internet (e.g., banner, pop-up) could have an audio equivalent. Imagine listening to an ad while reading the online newspaper. The verbal and sound elements of an audio message are similar to the audio of video messages.

Verbal

Historically, radio is known as the theatre of the mind; the voices speaking to us in these audio messages offer a description or story, like the body copy of a print message, that allows a visual to take hold. The talking takes unique formats—straight announcer, dialogue between two actors, announcer/actor, customer interview—while following any of the executional styles identified earlier in the chapter. Depending on which format is used, a script is written that will attract attention in the opening, communicate the brand's attributes or benefits, and wrap up with a close that includes a call to action, like visit a store, a company website, or a brand's social media. The dialogue of the script is critical, much like the voiceover in a video message, but the illuminating words support the theatre idea to maximize the amount of processing time of the message. At times, listeners may conclude that the spokesperson of a radio ad might be talking too fast to fully grasp the message. One study investigated the speech rate (i.e., words per minute) of radio ads and concluded that an optimal pace existed to maximize the processing of the message in terms of attention and comprehension. In short, 180 words per minute outperformed 160 and 200 words per minute.⁴⁰ So copywriters, keep the pace so that it is neither too slow, nor too fast!

Sound

Audio messages naturally rely on sound due to the lack of a visual. Brands employ unique sound effects to allow the visual to take hold in the receiver's mind. Alternatively, the unique voices of the speakers help create a personality to allow the visual to take hold even more. As seen with video messages, music becomes a key component for audio messages on a number of fronts, such as attracting attention or supporting the message and reinforcing the positioning. Moreover, as seen with video messages, jingles become even more critical as they fit with the format of listening to music. Finally, audio logos through music sound effects will start or end audio ads. "Sunwing.ca" is the start of this brand's radio ads, which acts like a print message headline to focus attention, but in this example, it also reinforces brand recall so that people will visit the website. Ads ending with an audio logo are similar to a print message signature, again to reinforce brand awareness.

LO4 Planning Model for Creative Tactics

Another part of the Rossiter and Percy (R&P) perspective is the recommendations for creative tactics so that communication effects will occur with the target audience after processing the message.⁴¹ The R&P model recommendations for creative tactics contain four distinguishing features: instructions to attain brand awareness, considerations for the type of motivation, suggestions based on the target audience's involvement, and guidelines to generate both cognitive and emotional responses.⁴²

TACTICS FOR BRAND AWARENESS

The first R&P model feature is that brand awareness is a necessary precursor to brand attitude. According to R&P, brand awareness is a universal communication objective for all circumstances (i.e., one ad, ad campaign, IMC plan). In this view, all marketing communication strives to achieve awareness in order to make brand attitude operational. R&P have three instructions for brand awareness:

1. Match the brand stimuli and the type of response behaviour of the target audience so that understanding of the brand in a category is unambiguous.
2. Use a unique brand execution style to connect the brand to the category.
3. Maximize brand contact time in the exposure to reinforce name and category connection.

To fully establish awareness, the target audience needs to understand the context (brand, behaviour, category), as this illustrates for them how or why the brand exists. If the context is not clear, then the target audience has trouble remembering the brand when it comes time to purchase. A unique execution style helps cut through the clutter. The connection to the category and sufficient exposure is required to make sure that the message is retained. For example, video messages sometimes show the package or brand name for too short a time for target audiences to fully grasp where the brand competes in the market. Research on this point discovered a strong effect of brand logo duration of exposure and brand logo frequency of exposure as contributing significantly to sales.⁴³

R&P suggest that awareness is achieved via recognition and/or recall. R&P have two instructions for recognition that require less media frequency as consumers need only to be familiar with the brand stimuli at the point of purchase:

1. The brand package and name have sufficient exposure in terms of time or size depending on the media.
2. Category need is be mentioned or identified.

The Dasani ad in **Exhibit 8-18** shows the brand name highlighted with blue in the upper left corner to achieve an awareness effect. The message "break for bubbles" supports the first awareness point of a response behaviour for a brand in the bubbly water category. The style is quite unique with a close up of the situation in which the user consumes the beverage with the chair in the background and the tablet in the foreground. This also supports the second point of the recognition guidelines. Contact is maximized with the Dasani name and sparkling repeated on the can. The package also supports the first point of the recognition guideline.

Recall also requires high levels of frequency since the brand has to be remembered prior to being at the point of purchase. R&P have six instructions for awareness through recall:

1. The brand and the category need is connected in the primary benefit claim.
2. The primary benefit claim is short to be easily understood.
3. Within an exposure, the primary benefit claim is repeated often.
4. The message has or implies a clear personal reference.
5. A bizarre or unusual execution style is used if it is consistent with the brand attitude objective.
6. A jingle or similar "memory" tactic is included.

There are more specific instructions for recall since this communication reception is a more difficult mental task for consumers. Advertisers have to help their target audience know their brand prior to purchasing. Empirical testing of some of these points

EXHIBIT 8-18 The Dasani ad makes use of a visual to identify the brand and achieve an awareness effect.



Source: Dasani by The Coca-Cola Company

EXHIBIT 8-19 This Subway ad uses key brand recall guidelines to encourage new consumers.



©Jeff Morgan 05/Alamy Stock Photo

for video media concluded that recall is enhanced with brand identification occurring early in the presentation, frequent visual brand identification, and communicating the brand visually and verbally.⁴⁴ The ad in **Exhibit 8-19** follows instructions for improving recall. Thus, all three creative tactics decisions are considered carefully to ensure that the target audience can retrieve the brand name from long-term memory when the need to purchase a product category arises.

TACTICS FOR BRAND ATTITUDE

As explained earlier in the book, brand attitude is a universal communication objective, however the route to influencing consumer attitudes varies. This section presents four approaches for influencing attitudes, along with corresponding guidelines for creative tactics.

Brand Attitude Grid

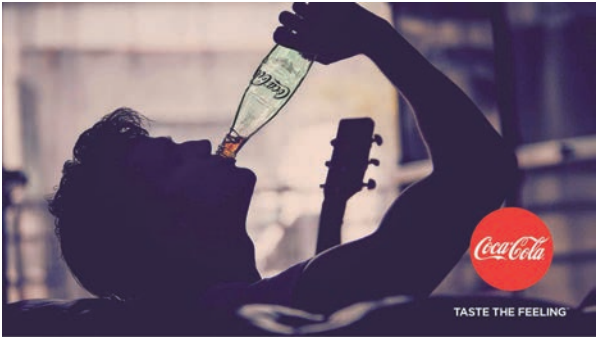
The R&P view of consumer attitudes is framed as a planning grid with the dimensions of involvement and motivation. The use of these two concepts is an accurate *practical* representation of attitude for IMC planning.

Low-involvement decision	Low-involvement decision
Informational motivation	Transformational motivation
High-involvement decision	High-involvement decision
Informational motivation	Transformational motivation

The involvement dimension ranges from low involvement to high involvement and is specific to the brand as the target audience makes a purchase decision. R&P interpret involvement as the degree of risk perceived by the target audience (i.e., new category user or loyal customer) in choosing a particular brand for the next purchase occasion. One extension of this idea, not fully developed by R&P, is that the concept can extend to purchase-related shopping behaviour discussed in **Chapter 5**. For example, how much risk does a person buying a car for the first time take in deciding to visit a particular dealer for a test drive?

The motivation dimension is a continuum from negative motive, or informational-based attitude, to positive motive, or transformational-based attitude. The historical interpretation of an informational-based attitude implies that it is based on careful reasoning that results from the cognitive responses that the target audience has while experiencing advertising messages. However, R&P argue that this is too limiting as attitude is based on both cognition and affect. Accordingly, they suggest that creative tactics for this side of the grid account for the benefit claims (i.e., cognition) and the emotional portrayal of the motive (i.e., affect). Thus, the emphasis of the benefit claim is stronger than the emotional portrayal of the negative motive for informational-based attitude persuasion.

EXHIBIT 8-20 Advertising for Coca-Cola uses a positive theme to create a brand image.



Source: The Coca-Cola Company

The notion of transformational-based attitude is consistent with image advertising. For example, image advertising is used by travel industry brands so consumers envision the experience or feeling they might have when taking a trip such as a cruise or visiting a particular destination. Image advertising, which is designed to give a company or brand a unique association or personality, is often transformational in nature. It is designed to create a certain feeling or mood that is activated when a consumer uses a particular product or service. For example, Coca-Cola ads often show the brand in unique consumption moments (see **Exhibit 8-20**).

Just as the informational-based attitude is not purely cognitive, the transformational-based attitude is not purely founded on emotion but includes cognitive elements. Intuitively, this makes a lot of sense as some ads with a very strong fear appeal often leave us thinking. Overall, the emphasis of the emotional portrayal of the consumer motive is stronger than the benefit claim for transforma-

tional-based attitude. Providing information in transformational ads is part of the campaign for Newfoundland and Labrador. Much of the message involved breathtaking views of the landscape and a humorous way of conveying the clean air one can breathe along the coastline. Another key component included travel logistics and accommodation information.

Brand Attitude Grid Tactics

The fourth feature of the R&P model is guidelines for creative tactics to ensure both cognitive and emotional responses contribute to both aspects of brand attitude. On the emotional side, how the motive is portrayed in the ad involves three characteristics: its authenticity, or how real it appears to the target audience; whether the target audience likes the ad; and finally, the target audience's reaction to the execution style. On the informational side, how the benefit claims are communicated in the ad involves three characteristics: the number, the intensity, and the repetition of the claims. The authenticity and whether the target audience likes the ad are typically associated with the design elements of the ad. Quite obviously, there is a direct connection between the execution style of the framework and the creative tactic decisions reviewed in this chapter. The benefit claims are mostly a function of the message structure since the latter concerns the details of explaining the product's benefits. It is also a function of the relative balance between a verbal and visual message. The end result produces creative tactic guidelines for the four brand attitude cells. Research on benefit claims indicated that explicit benefit claims supported with reference to a corresponding attribute produced strong sales results.⁴⁵

Low Involvement–Informational Creative Tactics

Ads designed to influence target audiences' attitudes based on low involvement–informational persuasion have an obvious benefit claim, as shown in **Exhibit 8-21**. Also, even though tires are relatively expensive, the intention is to direct readers to the website for further research at the information-gathering stage. Since the intention is to persuade the target audience so that they automatically learn the connection among the brand, its category, and the benefit, consumer acceptance or rejection of the message is not a factor. Further, the emotion demonstrated in the ad and whether the target audience likes the ad are not necessary as the message is intended to make a creative link among the brand, category, and benefit.

EXHIBIT 8-21 This Michelin Tire ad contains low involvement–informational creative tactics.



Source: Michelin North America Inc.

Low Involvement–Informational	
Emotional portrayal of motive	
Authenticity	Not necessary
Like ad	Not necessary
Execution style	Unusual, problem–solution format
Benefit claim of brand message	
Number of benefits	One or two, or one clear group
Intensity of benefit claim	State extremely
Repetition of benefit claim	Few required for reminder

Low Involvement–Transformational Creative Tactics

Three emotional portrayal guidelines are critical for this type of attitude. These points are consistent with transformational ads described above. For example, the representation of the consumption of the brand in the drama or story of the ad “rings true” with the target audience such that it is perceived as a very enjoyable ad. This characteristic is demonstrated in the Fluevog shoe ad (**Exhibit 8-22**). In a low-involvement situation, benefit claims are still included but may be indirectly communicated through the story or emotion surrounding the story. Actual acceptance of the benefit claim is not a requirement; however, rejection of the overall message can lead to a reduction in the attitude of the target audience.

EXHIBIT 8-22 This unique John Fluevog ad captures a particular emotion to encourage store visits.

NO, YOU'RE WEIRD!



JOHN FLUEVOG SHOES
VANCOUVER SEATTLE BOSTON TORONTO NEW YORK SAN FRANCISCO CHICAGO LOS ANGELES
MONTREAL PORTLAND QUÉBEC CALGARY WASHINGTON DC MINNEAPOLIS DENVER OTTAWA
FLUEVOG.COM

©John Fluevog Shoes

Low Involvement–Transformational

Emotional portrayal of motive

Authenticity	Key element and is the single benefit
Like ad	Necessary
Execution style	Unique to the brand

Benefit claim of brand message

Number of benefits	One or two, or one clear group
Intensity of benefit claim	Imply extremely by association
Repetition of benefit claim	Many exposures to build up before trial purchase and reinforce attitude after trial

High Involvement–Informational Creative Tactics

This side of the grid illustrates the importance of information, as *high involvement* implies the requirement of considerable and accurate benefit claims. Many benefits are claimed here, but they are organized and presented in a manner that respects the current attitude of the target audience. The ad in **Exhibit 8-23** follows the creative guidelines for this attitude. Since this is an informational-based attitude, the emotional portrayal is important but not the primary consideration. Furthermore, the high-involvement characteristic means that the target audience has to accept the benefit claims. Rejection of the benefit claims may not result in any negative change in attitude if the copy respected the prior attitude of the target audience.

EXHIBIT 8-23 Extensive ad copy and the visual support high involvement–informational attitude influence.

Source: LogMeIn, Inc.

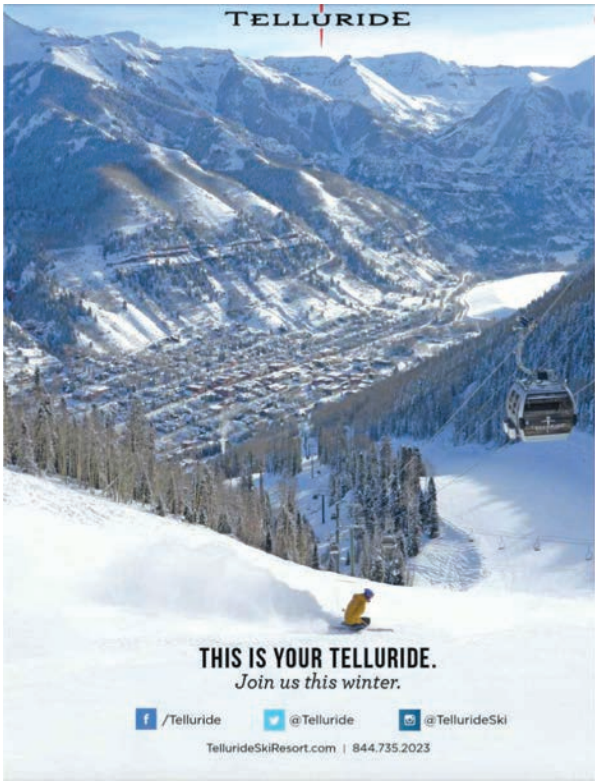
High Involvement–Informational	
Emotional portrayal of motive	
Authenticity	Key element early in product life cycle and declines as product reaches later stages
Like ad	Not necessary
Execution style	Unusual
Benefit claim of brand message	
Number of benefits	Overall claim to summarize multiple (no more than seven) benefits
Intensity of benefit claim	Initial attitude is key reference point Very accurate claim; cannot overclaim or underclaim
	Comparative or refutation messages are strong options
Repetition of benefit claim	Many claims within an exposure

High Involvement–Transformational Creative Tactics

Persuasion through this type of attitude formation requires strong emphasis on the emotion. A positive attitude toward the ad leads to a positive brand attitude. Likewise, the target audience relates to the execution style and feel like they identify with the product, as shown in the ad in **Exhibit 8-24**. The end result is that if the target audience rejects the message because the emotion is not accurate, then the persuasion will not work and may even cause significant attitude reduction. The remaining guidelines illustrate that considerable information is required, similar to what is seen for the high involvement–informational

attitude. In the case of this ad, it relies on the receiver easily going to social media or calling for more information. Once again, this implies that acceptance of the benefit claims is critical for the attitude to take hold with the target audience.

EXHIBIT 8-24 This ad captures the excitement of skiing and reinforces the mastery idea of an intellectual stimulation motive.



Source: Telluride Ski & Golf Resort

High Involvement–Transformational	
Emotional portrayal of motive	
Authenticity	Paramount; reflect lifestyle of target audience
Like ad	Necessary
Execution style	Unique; target audience identifies with product, people, or consumption situation shown
Benefit claim of brand message	
Number of benefits	Acceptable number to provide key information
Intensity of benefit claim	Very accurate claim; may overclaim but do not underclaim
Repetition of benefit claim	Many are required to support informational message

LO5 IMC Planning: Guidelines for Creative Evaluation

While an agency’s creative specialists propose a campaign’s creative strategy and creative tactics, the client evaluates and approves the creative approach before ad production. Client personnel involved in evaluating the creative recommendation include the advertising or communications manager, product or brand managers, marketing director or vice-president, representatives from the legal department, and even senior managers if required. Top management is involved in selecting an ad agency and approves the theme and creative strategy for the campaign. The account executive and a member of the creative

team present the creative concept to the client's advertising and product managers for their approval before beginning production. Advertising and product managers evaluate and approve individual ads proposed by the agency. A careful evaluation is made before the campaign actually enters production, since this stage requires considerable time and money. Criteria for evaluating the creative approach focus on questions requiring managerial judgment:

- *Is the creative approach aligned with the brand's marketing and advertising objectives?* Advertisers consider whether the creative strategy and tactics recommended by the agency are consistent with the marketing strategy for the brand and the role that advertising and promotion have been assigned in the overall marketing program (i.e., brand image, marketing positioning strategy).
- *Is the creative approach consistent with the communication objectives?* The creative strategy and tactics are intended to meet the established communication objectives. Creative specialists may lose sight of the objective of the advertising message and come up with an approach that fails to execute the advertising strategy. Individuals responsible for approving the ad ask the creative specialists to explain how the creative strategy and tactics achieve the creative and communication objectives.
- *Is the creative approach appropriate for the target audience?* Careful consideration is given to whether the creative strategy and tactics recommended appeal to, be understood by, and communicate effectively with the target audience. This involves studying all elements of the ad and how the audience will respond to them. Advertisers do not want to approve advertising that they believe will receive a negative reaction from the target audience.
- *Is the creative approach communicating a clear message to the target audience?* While creativity is important in advertising, it is also important that the advertising communicate information regarding attributes, features and benefits, and/or images that motivate consumers to buy the brand.
- *Is the creative approach overwhelming the message?* Creative and entertaining messages may fail to elicit brand responses effectively. Although a creative approach to gain the receiver's attention within advertising clutter may be required, it cannot inhibit message delivery to the target audience.
- *Is the creative approach applicable for the expected media exposure?* Each media vehicle has its own specific climate that results from the nature of its editorial content, the type of reader or viewer it attracts, and the nature of the ads it contains. Consideration is given to how well the ad fits into the media environment in which it will be shown.
- *Is the creative approach truthful and tasteful?* The ultimate responsibility for determining whether an ad deceives or offends the target audience, or the general public, lies with the client. It is the job of the advertising or brand manager, in conjunction with the firm's legal department, to evaluate the approach against company standards and laws respectively.

The advertising manager, brand manager, or other personnel on the client side use guidelines such as these in reviewing, evaluating, and approving the ideas offered by the creative specialists. There may be other factors specific to the firm's advertising and marketing situation. Also, there may be situations where it is acceptable to deviate from the standards the firm usually uses in judging creative output. As we shall see in the next chapter, the client may want to move beyond these subjective criteria and use sophisticated pre-testing research employing quantitative and qualitative methods to determine the effectiveness of a particular approach suggested by the creative specialists.

Learning Objectives Summary

LO1

Analyze the creative execution styles that advertisers use and the situations where they are most appropriate.

After the ad campaign's creative strategy is determined, attention turns to the creative tactics that enhance the cognitive and emotional processing of the message. The creative execution style is the way the advertising appeal is presented in the message and is the first of three creative tactics analyzed. This chapter identified execution style techniques; the most appropriate style selected is a matter of balancing uniqueness in the market against effective communication to achieve the stated objectives. A number of approaches are available, like straight sell, slice of life, testimonial, drama, humour, and imagery—all of which are shown in TV commercials, print ads, and radio spots and are now developed for online video, banner ads, and podcast sponsorships.

LO2 Explain different types of message structures used to develop a promotional message.

The design of the advertising message is a critical part of the communication process and is the second creative tactic discussed. There are options regarding the message structure, including order of presentation of message arguments, conclusion drawing, message sidedness, refutation, and verbal versus visual traits. How these elements are constructed has important implications for enhancing the processing of the message and whether communication effects are achieved with the target audience. Message structure considerations are important for any form of delivery (i.e., video, print, audio) that may be disseminated via traditional or new media.

LO3 Express design elements involved in the creation of print, video, and audio messages.

Attention was also given to tactical issues involved in creating print, video, and audio messages. The elements of a print ad include a headline, body copy, illustrations, and layout. We also examined the visual and audio elements of video messages and considerations involved in the planning and production of commercials. Together, these showed the important design decisions of a complete the creative approach. Finally, we highlighted a couple of key factors in the development of audio messages. These design elements are relevant for producing print, video, or audio ads that are delivered through a variety of media and IMC programs.

LO4 Apply a planning model for making creative tactics decisions.

We presented a model for creative specialists and marketers to help them make the appropriate decisions for the creative tactics. It provided general and specific suggestions for brand awareness. The model uses the target audience's attitude as the key factor when deciding upon the correct execution style, message structure, and design. These three characteristics ensure that both cognitive and emotional aspects of processing and attitude formation are addressed in the receiver of the message. The model is like a list to double check and know whether the creative execution results have characteristics that influence the target audience's attitude in the way expected.

LO5 Illustrate how clients evaluate the creative work of their agencies.

Creative specialists are responsible for determining the creative strategy and tactics from the marketer's input. However, the client will review, evaluate, and approve the creative approach before any ads are produced or run. A number of criteria are used by advertising managers, product or brand managers, and others involved in the promotional process to evaluate the advertising messages before approving final production.

Review Questions

1. Identify the difference between a message appeal and a creative execution style. Why is it important to make this distinction?
2. What is meant by a one-sided versus two-sided message? Discuss reasons why marketers may or may not want to use a two-sided message.
3. Are headlines more important for gaining attention or reinforcing awareness?
4. What are the similarities and differences of creative tactics across the four cells of the brand attitude grid of the R&P planning model?
5. Explain how the guidelines for creative evaluation can be applied to ads seen on the Internet.

Applied Questions

1. Look through ads in other chapters and figure out what execution style is used. Do the same for video ads found online.
2. What are the limitations of constructing standard print-format ads for Facebook and billboards?
3. Brands are experimenting with long-form video messages online. Using the design elements discussed in the chapter, contrast this approach with a standard 30-second TV ad. When would a brand use both within its IMC plan?
4. Find an ad for each of the four cells of the R&P framework for creative tactics. Identify the design elements that match the guidelines for each cell.
5. Apply the guidelines for creative evaluation to a campaign for Telus or Bell or Rogers, and conclude whether it fulfills all the criteria sufficiently.

Measuring Effectiveness for IMC



- LO1** Identify the decisions for measuring promotional message effectiveness.
- LO2** Describe what is measured to assess promotional message effectiveness.
- LO3** Summarize pre-test approaches for measuring promotional message effectiveness.
- LO4** Summarize post-test approaches for measuring promotional message effectiveness.
- LO5** Appraise the requirements of proper effectiveness research.

Electrifying Results with Neuromarketing^A

Advertising effectiveness measurement confounds promotional planners, market researchers, agency personnel, and brand managers alike. Summaries of ad executions from awards presentations usually document evidence of the unique creative approach, resulting communication effects, behavioural influence, and subsequent impact on marketing objectives (e.g., sales, market share). However, ad effectiveness measurement is also concerned with research at all stages of the creative process so that advertisers construct the right message prior to releasing it. Managers prefer to avoid wasted costs for paid media ads or effort in developing messages shown in free social media by testing consumer response ahead of time. The problem of estimating ad effectiveness is a decades old issue, however research methods have evolved to uncover new insights.

One avenue is physiological responses (eye-tracking, heart rate, skin response, facial muscle movement) to advertising messages. Another direction is the use of neuroscience via electroencephalographic (EEG) technology to measure brain electrical activity. Researchers adapt the medical use of this machine to test ad effectiveness before launching. This adaptation is referred to as *neuromarketing* within the advertising research industry and it is both an effective and an efficient option for advertisers. The methodology places a headset with electrode sensors on people and records their brain responses every two milliseconds while they are watching video messages. The resulting data indicate at which point in the ad the brain is most active. Measurement involves attention, cognitive responses, emotional responses, and

encoding to memory that indicates the development of branded communication effects.

Home Equity loans tested its ads with 300 respondents with this method and revised the ad by reducing the amount of emotion in the ad, repeating the phone number, and reinforcing the benefit claims with a visual checkmark midway through the execution. The initial methodology and technology have improved dramatically over the past few years, with faster testing at a lower cost. The above example and this research improvement is consistent with marketing executives responding positively in survey data toward increased future use beyond the current 14% rate.

Research testing 14 ads featuring Toronto Raptors and other NBA players demonstrated the usefulness of neuromarketing research. The study ranked all ads in terms of attention, emotional associations, and memory encoding. The results provided counterintuitive findings, where ads for national brands versus smaller local brands scored lower, and ads featuring star players scored lower compared to ads with bench players. Admittedly, the study did not follow strict experimental guidelines, which the researchers believed contributed to the results. And on this point, Shopify found the method useful if the company ran controlled experiments to manipulate the marketing material exposure to different groups.

Question

1. What is your impression of neuromarketing?

Measuring the effectiveness of the promotional program is critical since it allows a marketing manager to assess the performance of specific program elements and provide input into the next period's situation analysis. This measurement is concerned with evaluative research to assess message strategies and tactics prior to the campaign and to measure the advertising and promotion effectiveness after implementation. This research is distinct from planning research, which is examined when developing the promotional program. However, both post-campaign evaluative and pre-planning research are reviewed during creative planning, as described in **Chapter 7**.

This chapter describes an approach for measuring effectiveness. First, the chapter identifies the decisions involved for measuring effectiveness. It then describes what is measured in this kind of evaluative research. Next, the chapter summarizes pre-test measuring and post-test measuring in two subsequent sections. The IMC planning section appraises the requirements for effectiveness research.

The primary focus of this chapter is measuring advertising effects, because this process is well established and other marketing communications provide an ad-like message. Also, pre-test measuring and post-test measuring have been adapted to sales promotion, public relations, and digital to assess message effectiveness. This application is briefly reviewed in the respective chapters.

LO1 Decisions for Measuring Effectiveness

Chapter 4 and **Chapter 5** illustrated how receivers respond to advertising and how managers set objectives for advertising planning based on the audience's ad processing and the resulting communication effects. It is common business practice to assess

performance against the objectives established for a strategy, and this is true for advertising, as indicated in **Chapter 5** with the summary of DAGMAR. For advertising, the assessment requires research, and this section explores a few questions (i.e., why, what, when, where, how) for measuring advertising effectiveness.

WHY MEASURE EFFECTIVENESS

Avoiding Costly Mistakes

Total measured advertising revenue hit \$15 billion in 2019, and any brand's advertising budget is often a substantial expenditure. Thus, if a program is not achieving its objectives, the marketing manager needs information to know how or where to spend money more effectively. The opportunity loss due to poor marketing communication is just as important. If the advertising and promotions program is not accomplishing its objectives, the potential gain that could result from an effective program is not realized, thereby minimizing the firm's return on its marketing investment. The alternative to spending money and internal time resources on research is that both could go toward improved ad production or additional media buys. However, imagine the results of a poor campaign that did not motivate the target audience; money would be wasted if the effects could do more harm than good. Spending more money to buy media does not remedy a poor message or substitute for an improper promotional mix.

Evaluating Alternative Strategies

Typically, a firm has a number of creative strategies under consideration. Companies test alternative versions of their advertising to determine which ad communicates most effectively. Or the decision may be between two promotional program elements: should money be spent on sponsorship or on advertising? Different participants may try to influence this, however. The sales manager may want to see the impact of promotions on sales, top management may wish to know the impact on corporate image, and those involved in the creative process may wish to assess recall and/or recognition of the ad. However, with the proper design, many or even all of the above might be measured. Since every promotional element is designed to accomplish its own objectives, research can be used to measure its effectiveness in doing so.

Increasing Advertising Efficiency

Agency personnel sometimes lose sight of their objectives when focused on the project tasks. They may use technical jargon that not everyone is familiar with. Or the creative department may get too creative or too sophisticated and lose the meaning of the intended message. Conducting research helps companies develop more efficient and effective communications. Clients expect accountability for their promotional programs and pressure agencies to produce. However, an age-old industry issue is that creative specialists do not want their work tested. They feel that tests are not true measures of ad creativity and effectiveness: applying measures stifles their creativity, and creative ads are more successful. So while efficiency is a good argument, difficulties could mitigate some savings.

Determining if Objectives Are Achieved

In a well-designed IMC plan, specific communication objectives are established. If objectives are attained, new ones are established in the next planning period. An assessment of how program elements led to the attainment of the goals occurs, and/or reasons for less-than-desired achievements are determined. Research evaluates whether the strategy delivers the stated objectives and assess the appropriateness of the measures.¹ Although measuring advertising effectiveness potentially faces the challenge of the results being affected by the performance of other marketing mix decisions, promotional planners are expected to determine the specific results of their promotional investments through communication effects.

WHAT TO MEASURE

Creative Strategy Decisions

The primary creative strategy decision—the creative theme—can be tested. When a company decides to change its theme or is planning to launch an unusual attention-getting approach, it may want to see the reactions of the target audience prior to investing in the media placement. Similarly, different message appeals can be tested (i.e., rational versus emotional), or different versions of one appeal can be tested. Finally, another important question is whether the spokesperson being used is effective and how the target audience will respond to him or her. A product spokesperson may be an excellent source initially but, owing to a variety of reasons, may lose impact over time in terms of attractiveness or likeability. Thus, all major creative strategy decisions can be tested.

Creative Tactic Decisions

Different execution styles displayed on storyboards can be presented to members of the target audience in focus groups for their reaction. The message structure can be looked at, such as reading the body copy in an interview or another method. Specific design elements, such as the music in a television ad or the headline of a print ad, can also be the focus of research. Overall, advertisers use a variety of research methods to test essentially any creative tactic that they are unsure about or that requires confirmation.

Other Promotional Programs

The other promotional programs discussed in this book have an associated message with creative elements. Many sales promotions have a visual as well as an advertising-like message that reinforces the brand position. Similarly, firms use many creative tactics to gain the attention of media personnel so that their story will obtain exposure through publicity. Thus, the creativity and delivery of a message is relevant in the other promotional programs, and as expected the same research is possible. Later chapters review how to measure the effectiveness of other promotional programs. **Exhibit 9-1** is an ad from a leading market research firm that does effectiveness research and other sorts of market research. Its copy essentially summarizes the point raised thus far.

EXHIBIT 9-1 This ad promotes the value of performing market research.



Source: GfK

WHEN TO MEASURE

Pre-test

Measures taken before the campaign is implemented are known as a **pre-test**. A pre-test occurs during any or all phases of the creative process: early idea, rough execution, or final version. Sometimes multiple versions of an ad are evaluated to determine which is best. The advantage of a pre-test is that feedback is relatively inexpensive. Any problems with the creative strategy or tactics are identified before money is spent on development. In general, a pre-test and subsequent corrections are cheaper than no pre-test and no corrections. However, situations like the Toronto Raptors' "We the North" campaign arise where the message went from early idea to finished ad in a week! The disadvantage of a pre-test is that mock-ups, storyboards, or animatics may not communicate as effectively as the final ad. The mood-enhancing or emotional aspects of the message are difficult to communicate in this format.

Post-test

Measures taken after the campaign is implemented are known as a **post-test**. A post-test occurs after media exposure of the ad. A post-test is designed to (1) determine if the campaign is accomplishing its objectives and (2) serve as input into the next period's situation analysis. For example, a post-test might indicate changing the creative strategy, such as using stronger emotional content in future messages to persuade, or augmenting the brand identification to enhance awareness. A post-test for other promotional programs (e.g., sales promotion) or the entire IMC program is potentially conducted as well.

WHERE TO MEASURE

Laboratory Tests

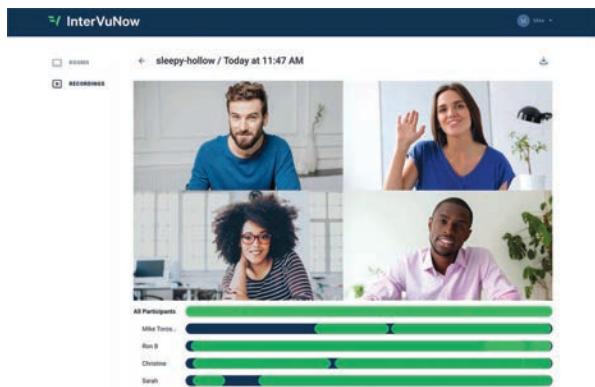
In **laboratory tests**, people go to a particular location and are shown ads and/or commercials. The testers either ask questions about them or measure participants' responses by other methods. The major advantage is that changes in copy, illustration, formats, or colours can be manipulated inexpensively and the differential impact of each assessed to isolate the communication effects of each factor. The major disadvantage is the lack of *realism* that results in **testing bias**. When people go to a lab (even if it has been designed to look like a living room), they may scrutinize the ads more closely than they would at home. A second problem with this lack of realism is that it cannot duplicate the natural viewing situation, complete with the distractions or comforts of home.

Field Tests

Field tests are evaluations of the ad in natural viewing situations, complete with the realism of noise, distractions, and the comforts of home. Field tests account for the effects of repetition, program content, and the presence of competitive messages. The major disadvantage of field tests is the lack of control. It may be impossible to isolate causes of viewers' evaluations. If atypical events occur during the test, they may bias the results. Field tests usually take more time and money to conduct, so the results are not immediately available for decision making. Thus, realism is gained at the expense of other important factors.

HOW TO MEASURE

EXHIBIT 9-2 Online focus groups give advertisers direction on how to improve their message.



©InsideHeads.com

the creative strategy and tactics decisions. A variety of topics are examined and consumers are free to go into depth in any important areas. The methodology is attractive to marketers since results are easily obtained, directly observable, and immediate. These methods don't require quantitative analysis and are more easily accepted and interpreted by managers. Online focus groups (**Exhibit 9-2**) provide time and cost efficiencies, and their data can be combined with face-to-face focus groups' results.

Quantitative Methods

Quantitative methods ask questions with scaled responses, require a large sample size, and use statistical analysis to tabulate the results. A survey method is generally used and is administered many ways (e.g., in person, online, by mail) using both electronic and non-electronic data collection tools. These methods are usually performed *after* launching the campaign in post-test research. **Chapter 7** identified quantitative methods when describing research done prior to the development of a campaign. These methods are also used when measuring the effectiveness of the promotional message, although the formats and types of questions are adjusted since the research objectives are different for these two research situations.

Qualitative Methods

Qualitative methods, such as interviews and focus groups, are usually performed *before* launching the campaign. Participants freely discuss the meanings they get from the ads, consider the relative advantages of alternative messages, and suggest improvements for

LO2 Measuring Effectiveness

Measuring effectiveness requires consideration of the R&P response model summarized in **Chapter 4** and subsequently applied in **Chapter 5** to form objectives. Measuring effectiveness is required for understanding how a target audience processes the ad message and the communication effects of the ad message.² As a reminder, processing included attention, automatic learning of benefit claims, acceptance of benefit claims, and emotional responses, while communication effects included category need, brand awareness, brand attitude, and brand purchase intention. This section provides a general idea of what is measured to assess if the advertising is effective.³

A thorough system of measuring effectiveness is followed when all responses are evaluated during pre-test research and post-test research. However, in practice, advertisers may focus on one set, or one partial set, of measures. Either qualitative or quantitative approaches are possible for both pre-test and post-test research, although most pre-test research uses qualitative data collection, and most post-test research uses quantitative data collection. In these cases, open-ended questions are asked to individuals in an interview after message exposure of a mock-up print ad, a storyboard for a TV ad, or the equivalent for an Internet ad for pre-test research, and scaled closed-ended questions are asked to a sample of respondents after message exposure from a campaign's multiple media.

PROCESSING MEASURES

Attention

Attention is measured during pre-test research by asking the target audience questions such as what aspects of the ad they saw first, what part of the ad held their attention, and what part of the ad distracted them from reading or watching further. For example, pre-test research for a Classico pasta sauce ad reported a score of 72 versus the norm of 67 for the “captured my attention” question, and the “held my attention” question produced scores of 78 versus 65. Other pre-test scores are shown below.⁴

Learning

Learning is measured by the respondent’s answer to a simple question—“What is the brand message?” A follow-up question asks for the brand name to ensure that the association between the brand and the benefit is comprehended. Note that these measures are relevant for a target audience who do not perceive risk in buying the advertised brand on their next purchase. For a highly involved target audience, acceptance measures are recommended.

Acceptance

Acceptance is measured by asking a member of the target audience a question about the thoughts they experienced, which can be categorized as shown with the cognitive response model in **Chapter 4**. The categories can be organized in terms of creative strategy and tactics decisions, or be more specific for each of the decisions (theme, source, and appeal for creative strategy; style, structure, and design for creative tactics). Reading back the cognitive responses to the respondent, a recording of negative, neutral, or positive is associated with each thought. For example, pre-test research for the Classico ad reported a score of 60 versus the norm of 42 for the “makes Classico seem different from other brands in the pasta sauce category” question.

Emotional Response

Emotional or affect response to the ad is measured similarly to acceptance. Instead of focusing on thoughts and their assessment, the questions concern the respondent’s feelings or emotions toward the ad. Again these responses are categorized broadly with creative strategy and creative tactics, or more specifically with three decisions within each as indicated above. For example, pre-test research for the Classico ad reported a score of 76 versus the norm of 62 for the “enjoyed watching this ad” question.

A pre-test of the ad in **Exhibit 9-3** is an example where the researcher would see how the design element of the imagery, message, and layout affected the processing of the message. Questions addressing the target audience’s response to the plant and its symbolism would reveal positive or negative thoughts and feelings. Other questions could investigate the comprehension of this or other versions of the body copy. A third group of questions could address the layout of all design elements. For example, is it a more effective ad with the plant bottle logo in a different location?

EXHIBIT 9-3 A pre-test of this Carlsberg ad could focus on the imagery and other design elements.



Carlsberg Breweries A/S

Ad Recall

A question to measure ad recall in post-test research involves asking respondents a category-prompted question about what advertising they recall. As one might expect, this is a challenging mental task and indicates effective message and media decisions. This question is tabulated by the percentage of respondents identifying a brand first, which is known as *top of mind recall*. It is also tabulated by the percentage of respondents identifying a brand among other brands, which is known as *unprompted or unaided recall*. A second question involves asking respondents a category- and brand-prompted question about what advertising they recall. A third question is similar but includes a category-, brand-, and media-prompted question. Again, the percentage of respondents correctly identifying the brand is the key result. Note that these measures do *not* measure brand recall, but measure if the target audience believes they processed the message without a visual cue.

Ad Recognition

An important processing measure in post-test research is ad recognition. This approach continues with the category prompt and adds a visual cue by showing a copy of the message and recording if the respondent answers positively. The result is the percentage of people responding yes from the total sample. Note that this is *not* a measure of brand recognition, but a measure of whether a member of the target audience believes they processed the message. As such, this measure is a result of an effective message and effective media exposure. An additional ad recognition question includes a specific media prompt with the visual cue. Over the years, documented research shows stronger ad recall and ad recognition levels for brand users versus non-brand users.⁵ The implication is that ad messages directed to non-users should ensure optimal processing with accurate use of the creative tactic decisions identified in **Chapter 8**.

COMMUNICATION EFFECTS MEASURES

Category Need

Category need is measured simply, when the communication objective is to remind, with a question such as how likely the respondent is to buy the product category in future. However, if the category need objective is to sell, the researcher is required to ask three questions pertaining to category need: category purchase intention, benefit beliefs about the category, and category awareness. Since multiple product categories potentially fulfill a need, the research questions treat the category as if it were a brand. Here is an example of a question that measures category need.

Do you intend to buy a tablet for your social media communication needs in the next six months?

Unlikely	1	2	3	4	5	6	7	Likely
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Brand Awareness

In post-test research, brand awareness must be measured in a specific order, with the brand recall question first and the brand recognition question second. The recall question provides the product category, motivational need, and target audience prompt, and the brands mentioned are recorded. Recall percentages for each brand are tabulated if mentioned. More specific top-of-mind recall is the percentage of respondents who mention a brand first.

When you think of tablets for social media communication for people like yourself, what brands come to mind? (brand recall)

EXHIBIT 9-4 Post-test research could determine if the use of Justin Bieber in an ad helped build awareness for Tim Horton's.



Tim Horton's/MEGA/Newscom/SHLON/Newscom

Here is an example of a question for brand recognition, and the recognition percentages for each brand are tabulated if mentioned. More specific top-of-mind recognition is the percentage of respondents who identify a brand first, although this measure is not typically compiled.

Which of these brands of tablets have you seen before? (brand recognition)

The public relations image in **Exhibit 9-4** is part of a Tim Horton's campaign featuring Justin Bieber promoting his branded food and drink items in multiple media. Good post-test research would ask brand recall and brand recognition questions like the two proposed above to see if the investment in paying this star produced stronger awareness of Tim Horton's and the Tim Biebs products.

Brand Attitude

Multiple questions are asked for a thorough measure of brand attitude. For instance, **Chapter 6** reviewed target audience persuasion strategies for positioning that focused on making benefit claims or making claims of importance. Questions are asked for both of these to measure brand attitude, and variations are possible for the wording and scales, and of course the number of questions. Carrying on with the tablet example, these questions measure the target audience's belief about three attributes, and more are asked depending on the manager's requirements.

Rate the performance of Brand X on the following characteristics.

Screen Resolution	Poor	1	2	3	4	5	6	7	Excellent
Ease of Use	Poor	1	2	3	4	5	6	7	Excellent
Performance	Poor	1	2	3	4	5	6	7	Excellent

How important are the following characteristics for a tablet for social media communication?

Screen Resolution	Not Important	1	2	3	4	5	6	7	Important
Ease of Use	Not Important	1	2	3	4	5	6	7	Important
Performance	Not Important	1	2	3	4	5	6	7	Important

Another set of questions pertains to the overall cognitive beliefs of the brand. Wording and scales are adapted to the benefit claims of the positioning strategy and the creative decisions like message appeal and message structure. For example, one could use questions such as the following:

What are your overall thoughts about Brand X?

I believe Brand X is an excellent product	Disagree	1	2	3	4	5	6	7	Agree
Brand X is better than other brands	Disagree	1	2	3	4	5	6	7	Agree
Brand X meets my needs	Disagree	1	2	3	4	5	6	7	Agree

Finally, additional questions pertain to the overall emotions associated with the brand. Wording and scales are adapted to the emotional associations within the positioning strategy and the creative decisions like creative theme and design elements. For example, one could use questions such as the following:

What are your overall feelings about Brand X?

I love Brand X	Disagree	1	2	3	4	5	6	7	Agree
Brand X makes me feel great	Disagree	1	2	3	4	5	6	7	Agree
Brand X is my favourite brand	Disagree	1	2	3	4	5	6	7	Agree

When assessing this data, the promotional planner would compare data measured before the campaign with data taken after the campaign to see if there is a positive shift as anticipated from the brand positioning strategy decisions.

Brand Purchase Intention

Measuring brand purchase intention requires clarification as to whether “try,” “buy,” or “use” is the preferred referent. A secondary consideration is the time frame fitting with the type of product such as a durable or a consumable. For example, for a durable, the question would likely start with, “If you were going to buy a car,” while for a consumable, the question would likely start with, “The next time you buy a chocolate bar,” prior to asking the likelihood of buying etc. Here is a question that could be asked to complete the tablet example.

If you were going to buy a tablet for social media communication, how likely would you buy Brand X in the next six months?

Unlikely	1	2	3	4	5	6	7	Likely
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In conclusion, the purpose of this section is to indicate how research provides information regarding the effectiveness of ads by showing the kinds of measures advertisers collect to see the link to the objectives established. The content of these research questions is derived from the response models of **Chapter 4** and applied the models in **Chapter 5**. One could establish questions based on the other response models reviewed in this text as well. This chapter applied the R&P perspective since it clearly demarcates the processing of ad messages and communication effect of ad message, a key limitation of past models. Additionally, showing the questions makes a link to the content of the positioning, creative strategy, and creative tactics chapters since the brand attitude measure should be consistent with the benefit claims of the campaign.

LO3 Pre-test Measuring

Pre-test measuring may occur at various points throughout the development of an ad or a campaign during the creative process: (1) concept test, (2) rough test, (3) finished print ad, and (4) finished broadcast ad. Finished ad testing typically provides better information since promotional planners make changes based on the results, like altering the headline, editing the body copy, or changing the visual images. The tests described for print and broadcast media also work with other media, such as out-of-home or digital that have similar print and video characteristics.

CONCEPT TEST

A **concept test** is conducted early in the campaign development process to evaluate the target audience's response to a potential ad or campaign, or alternative advertising strategies. Positioning statements, copy, headlines, and/or illustrations may all be under scrutiny. The material shown, typically in a focus group, is a rough sketch of the ad or a description of a storyboard using words, pictures, or symbols. Reactions and evaluations are sought through qualitative questions that measure message processing as described in the previous section. Another means of gathering opinions of an ad concept is to ask individuals to assess the material shown via questionnaires with rating scales to obtain quantitative data illustrated earlier. Similar testing via the Internet occurs as advertisers show concepts simultaneously to consumers throughout Canada to obtain data that is analyzed almost instantaneously.

ROUGH TEST

A **rough test** is a preliminary evaluation of an unfinished ad. Advertisers spend money testing a rendering of the final ad at early stages of the creative process because of the high cost associated with completing ad production. A rendering implies three possibilities: animatic rough (e.g., drawings), photomatic (e.g., photographs of people/scenes), or live-action rough (e.g., actual people walking through scenes). Rough tests indicate how a finished ad could perform and provide accurate information at a reasonable cost. These testing methods are reliable, and the results typically correlate well with the finished ad.⁶ Popular ones include a comprehension and reaction test, and consumer jury. A **comprehension and reaction test** assesses whether the message conveys the meaning intended and examines the cognitive and emotional responses the ad generates. Tests of comprehension and reaction employ no one standard procedure and include personal interviews, group interviews, and focus groups. A **consumer jury** rates a selection of advertising alternatives in terms of different layouts, images, or body copy, which are presented separately. Potential viewers who are representative of the target audience look at the ads and give their message processing responses, brand evaluation, and overall ranking of all the ads. Each ad is compared to every other ad by everyone in the jury, and the winner is identified based on the votes of everyone on the jury.

PRE-TEST OF FINISHED PRINT AD

Portfolio Test

A **portfolio test** is a laboratory methodology designed to expose a group of respondents to a portfolio consisting of both control and test ads. Respondents are then asked what information they recall from the ads. The assumption is that the ads that yield the highest ad recall are the most effective. Portfolio tests compare alternative ads directly but have two weaknesses. First, factors other than advertising creativity and/or presentation may affect recall. Interest in the product or product category, the fact that respondents know they are participating in a test, or interviewer instructions may account for more differences than the ad itself. Second, ad recognition may be a more useful measure than ad recall for low involvement products.

Readability Test

A **readability test** assesses the communication efficiency of the body copy and website information in a print ad by determining the average number of syllables per 100 words. Human interest, appeal of the material, length of sentences, and familiarity with certain words are also considered and associated with the educational background of target audiences. Test results are compared to previously established norms for different target audiences and offer an attractive standard for benchmarking. The test suggests that copy is best comprehended when sentences are short, words are concrete and familiar, and personal references are drawn. However, the copy may become too mechanical, and direct input from the receiver is not available. Without this input, contributing elements like creativity cannot be addressed.

Diagnostic Copy Test

A **diagnostic copy test** is a pre-test method using a realistic setting of the respondent's home and collection of multiple communication measures of a finished print ad. Major advertising research firms like Millward-Brown, Ipsos, and G&R provide a copy test service for multiple print-like media in which they track comprehensive measures for a full diagnostic evaluation. Each uses its own vocabulary and consumer response model, but essentially the measures track message processing of cognitive and emotional responses, idea communication, comprehension, believability, and attitudinal measures pertaining to ad attribute ratings, attitude to the ad, brand attribute ratings, and overall brand attitude. As expected, firms like Ipsos expanded the diagnostic copy test to media beyond print (Exhibit 9-5).

PRE-TEST OF FINISHED BROADCAST AD

Theatre Test

In the past, theatre testing represented a laboratory method to pre-test finished commercials. Participants watched pilots of proposed TV programs with test ads embedded. In some instances, the show is actually being tested, but more commonly a standard program is used to compare audience responses with normative responses established by previous viewers. Variations of this method allow for viewing in more convenient locations (e.g., home, office, mall, hotel), with more consumer-friendly data collection devices so the data is tabulated in manager-friendly reports.

The closed- and open-ended questions are recorded via a touch-screen system. Key measures include (1) visibility (Will the commercial be remembered?); (2) awareness (Will the brand be remembered?); (3) communications (What visuals and messages will be remembered?); (4) brand (Does the ad promote a positive feeling toward the brand?); and (5) persuasion (Will the ad inspire non-users to try the product? or Will the ad enhance brand loyalty among existing customers?). The diagnostics include measures of viewers' awareness, comprehension, message uniqueness, and involvement of the commercial. The methodology also allows for scene-by-scene analysis and is used to test all traditional forms of advertising as well as digital.

On-Air Test

On-air tests occur when firms conducting theatre tests also insert the finished commercials into actual TV programs in certain test markets. The on-air pre-test of finished ads offers the advantage of a realistic setting versus a lab to simulate the ad's success when launched. The most commonly reported metric is recall—that is, the number of persons able to recall the ad and/or its message. In an examination of real-world advertising tests, one study concluded that recall and persuasion pre-tests do produce strong reliability or validity.⁷ Nevertheless, most testing services provide evidence of both validity and reliability for the on-air pre-test of commercials. Research firms claim their pre-test and post-test results yield the same recall scores nine out of 10 times—a strong indication of reliability and a good predictor of the ad effect when shown to the general population. Whether the measures used are as strong an indication as the providers say still remains in question.

Physiological Testing

An interesting pre-test method of finished commercials involves measuring physiological responses. These measures indicate the receiver's *involuntary* responses (e.g., heartbeat, reflexes) to the ad, which indicate an aspect of message processing and theoretically eliminate biases associated with the voluntary measures reviewed thus far. Growth of research in this field accounts for the natural and social setting in which advertising exposure occurs.⁸ The physiological measures used to test both print and broadcast ads include skin response, pupil dilation, eye tracking, and brain waves.

EXHIBIT 9-5 Ipsos offers comprehensive pre-test measuring.

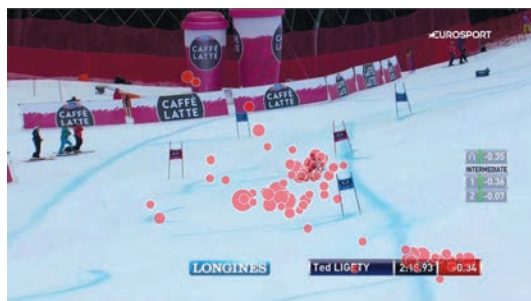


Source: Ipsos

Galvanic skin response (GSR). Also known as **electrodermal response (EDR)**, GSR measures the skin's resistance or conductance to a small amount of current passed between two electrodes. Response to a stimulus activates sweat glands, which in turn increase the conductance of the electrical current. Thus, GSR/EDR activity might reflect a reaction to advertising, however wide application is limited even though research has reported its usefulness for measuring affective ad responses.⁹

Pupil dilation. Research in **pupillometrics** is designed to measure dilation and constriction of the pupils of the eyes in response to stimuli. Dilation is associated with action and constriction involves the body's conservation of energy. Pupil dilation suggests a stronger interest in (or preference for) an ad or implies arousal or attention-getting capabilities. Other attempts to determine the affective (liking or disliking) responses created by ads have met with less success. Because of high costs and methodological problems, the use of pupillometrics has waned, but it is useful in evaluating certain aspects of advertising.

EXHIBIT 9-6 Eye tracking is a research method used for digital advertising



Source: SensoMotoric Instruments (SMI)

Eye tracking. An interesting research methodology is **eye tracking**, in which viewers see an ad while a sensor aims a beam of infrared light at the eye. The beam follows the movement of the eye and shows the exact spot on which the viewer is focusing. The continuous reading of responses demonstrates which elements of the ad attracts attention, how long the viewer focuses on them, and the sequence order they are viewed. Eye tracking identifies strengths and weaknesses of an ad to facilitate adjustments before launching. For example, attractive models or background action may distract the viewer's attention away from the advertised brand. In other instances, colours or illustrations may attract attention and create viewer interest in the ad. Measurement of Internet advertising processing adapted eye tracking research, as shown in **Exhibit 9-6**. Researchers using this approach demonstrated that people who directed their attention to a banner ad recognized the brand at a later point, even if they multitasked with another media

device.¹⁰ Another application focused on eye tracking of product review sites, a key source of information consumers refer to when shopping. Results indicated consumers focused their attention on product information, brand name, price, and product visual.¹¹

Brain waves. **Electroencephalographic (EEG) measures** are taken from the skull to determine electrical frequencies in the brain to assess alpha activity and hemispheric lateralization. People are in an *alpha state* of brain activation when they are inactive, resting, or sleeping. The theory is that a person in an alpha state is less likely to be processing information. By measuring a subject's alpha level while viewing a commercial, researchers assess the degree to which attention and processing are likely to occur. Results indicate that ad recall correlates negatively with high alpha levels. *Hemispheric lateralization* measures alpha activity in the left and right sides of the brain. It is hypothesized that the right side of the brain processes visual stimuli and the left processes verbal stimuli; the right hemisphere responds more to emotional stimuli, while the left responds to logic; and the right determines recognition, while the left assesses recall.¹² The implication is that advertisers could design ads to appeal to each hemisphere if these hypotheses are correct; however, other academic researchers question the hypothesis and its ad design implication. Nevertheless, EEG research gained momentum periodically over the past few decades and is now the focus of specialized market research organizations.

LO4 Post-Test Measuring

Post-test measuring occurs after media delivery of an ad or campaign. Methods include print ad post-test (e.g. inquiry, recognition, recall) and broadcast ad post-test (day-after-recall, comprehensive, test marketing, single source tracking, tracking). The research companies providing pre-tests also provide post-tests for consistency in measurement for clients. Adapting post-test measuring for other media occurred using this method as well.

POST-TEST OF PRINT AD

Inquiry Test

Marketers use an **inquiry test** to measure advertising effectiveness on the basis of target audience contact that is generated from ads appearing in print media. The inquiry may be the number of coupons returned, phone calls generated, or reader cards completed. Digital inquiries would include emails and social media communication like questions posed on Twitter or Facebook. This is a simple measure of the ad's or medium's effectiveness; more complex methods may involve (1) running the ad in successive issues of the same medium, (2) running **split-run tests**, in which variations of the ad appear in different

copies of the same newspaper or magazine, and/or (3) running the same ad in different media. Each of these methods yields information on different aspects of the strategy. The first measures the cumulative effects of the campaign; the second examines specific elements of the ad or variations on it. The final method measures the effectiveness of the medium rather than the ad itself.

While inquiry tests may yield useful information, weaknesses in this methodology limit its effectiveness. For example, inquiries may not be a true measure of the attention-getting or information-providing aspects of the ad. The reader may be attracted to an ad, read it, and even store the information but not be motivated to inquire at that particular time. Time constraints, lack of a need for the product or service at the time the ad is run, and other factors may limit the number of inquiries. But receiving a small number of inquiries doesn't mean the ad was not effective; attention, attitude change, awareness, and recall of copy points may all have been achieved. At the other extreme, a person with a particular need for the product may respond to any ad for it, regardless of specific qualities of the ad.

Recall Test

A **recall test** is one that has been offered by major research firms like Ipsos for many decades. It is similar to the pre-test of on-air broadcast ads by measuring recall of specific ads. Magazines are read, and shortly thereafter three measurement scores are reported: percentage of readers who recall the ad, number of sales points the reader recalls, and brand attitude in terms of purchase reaction. A limitation is that the reader's degree of involvement with the product or the distinctiveness of the appeals and visuals may lead to higher-than-accurate recall scores. Also, critics contend the test is not strong enough to reflect recall accurately, so ads may score as less effective than they really are, and advertisers may abandon or modify them needlessly. On the plus side, a recall test assesses the ad's impact on memory, because studies found a strong correlation between recall and recognition for print ads.¹³

Recognition Test

A **recognition test** is a standard effectiveness approach established long ago with the Starch Ad Readership Report that assesses an ad in a single issue of a magazine, multiple issues over time, and/or across different magazines. Starch claims that (1) the ad's pulling power is assessed through the methodology's control, (2) the effectiveness of competitors' ads is compared from historical norms, (3) alternative ad executions can be tested, and (4) readership scores indicate consumers' ad involvement. These scores are processing measures right after looking at a magazine, and include the noted score (percentage of readers who remember seeing the ad), brand-associated score (percentage of readers who recall part of ad identifying the brand), and read most score (percentage of readers who read at least half of the body copy). The theory is that a reader reads and becomes involved in the ad before it communicates. The degree to which this readership can be shown is a direct indication of effectiveness. An example of a Starch scored ad is shown in **Exhibit 9-7**.

POST-TEST OF BROADCAST AD

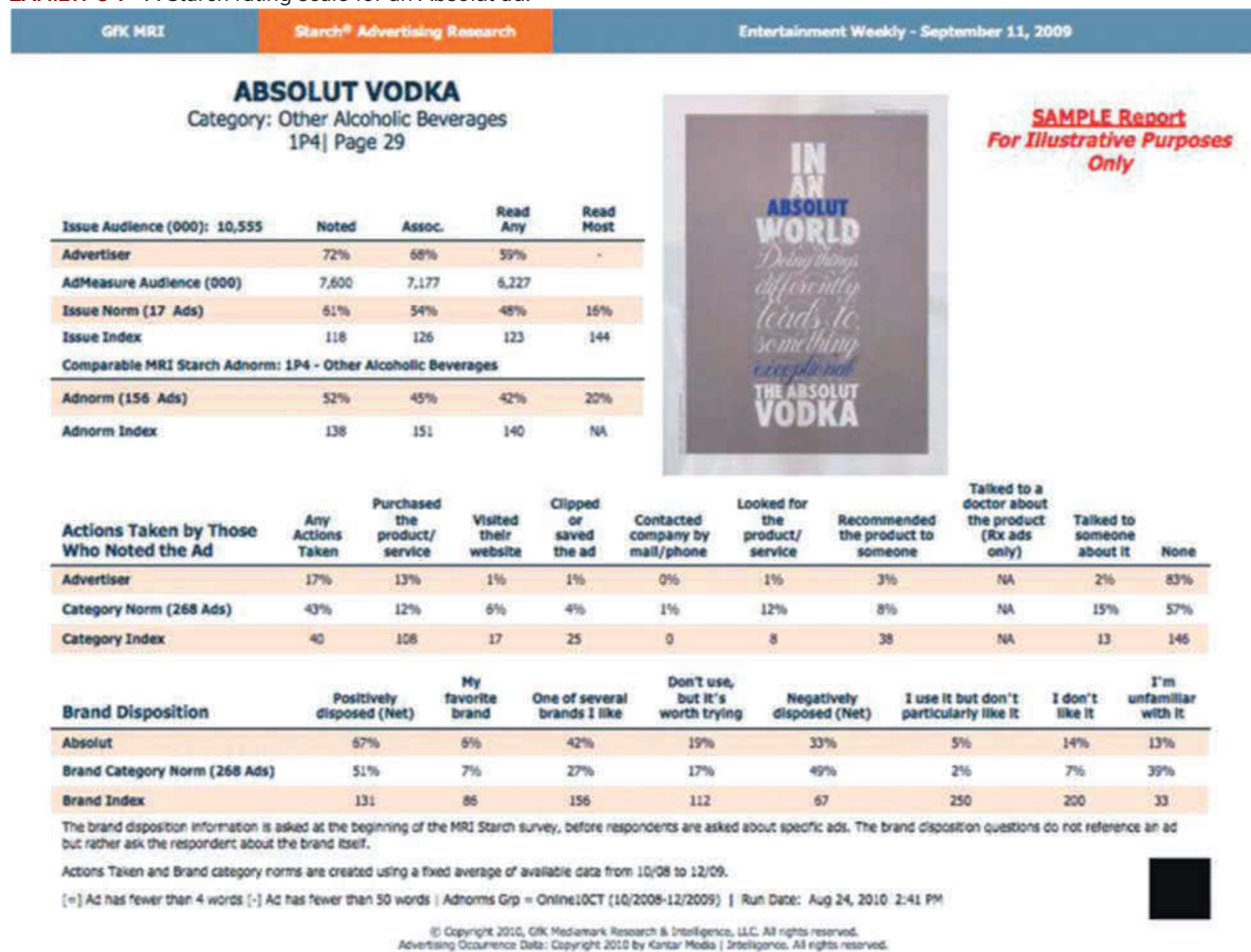
Day-After Recall Test

The day-after recall (DAR) test asks questions over the phone to assess whether a respondent could recall seeing an ad on a TV show from the previous day they claimed to have seen. It proved to be a popular post-test method in the broadcasting industry for decades, although its use waned because it assessed recall for one exposure on a particular time slot rather than looking at ad recall across multiple exposures. The major advantage of the day-after recall test is that it is a field test, supposedly providing a realistic response. DAR tests also provide norms that give advertisers a standard for comparing how well their ads perform. In addition to recall, a number of different measures of the ad's effectiveness include persuasive and diagnostic measures.

Although popular, day-after recall tests also had problems, including limited samples, high costs, and security issues (ads shown in test markets could be seen by competitors). Furthermore, DAR tests may favour unemotional appeals because respondents verbalize the message in their answers. Thinking messages may be easier to recall than emotional communications, so recall scores for emotional ads may be lower.¹⁴ Other studies concluded that emotional ads may be processed differently from rational ones, and ad agencies developed their own methods of determining emotional response to ads.¹⁵

Comprehensive Test

As noted in the discussion of the pre-test for broadcast commercials, a measure of a commercial's effectiveness is gathered and services offer additional measures, including purchase intent and frequency of purchase. Copy testing firms also provide

EXHIBIT 9-7 A Starch rating scale for an Absolut ad.

Source: GfK MRI

diagnostic measures, which garner viewers' evaluations of the ads, and establish how clearly the creative idea is understood and how well the proposition is communicated. Rational and emotional reactions to the ads are also examined. While each of the measures provides specific input into the effectiveness of a commercial, advertisers are also interested in more than just one specific input.

To assist advertisers in copy testing of their commercials, multiple measures determine (1) the potential of the commercial for impacting sales, (2) how the ad contributes to brand equity, (3) how well it is in line with existing advertising strategies and objectives, and (4) how to optimize effectiveness. Consumers are recruited to evaluate a TV program, with ads embedded into the program as they would be on local prime-time television. Consumers view the recorded program in their home to simulate actual field conditions. Researchers investigate related recall scores; persuasion scores, including brand preference shifts, purchase intent and frequency, brand equity differentiation, and relevance and communication; and reaction diagnostics to determine what viewers take away from the ad and how creative elements contribute to or distract from advertising effectiveness.

Test Marketing

Companies conduct tests designed to measure their advertising effects in specific test markets before releasing them nationally. The markets chosen are representative of the target audience. For example, a company may test its ads in London, Ontario, Peterborough, Ontario, or Winnipeg, Manitoba, if the demographic and socioeconomic profiles of these cities match the product's market. Many factors may be tested, including reactions to the ads (for example, alternative copy points), the effects of various budget sizes, or special offers. The ads run in finished form in the media where they might normally appear, and effectiveness is measured after the ads run.

The advantage of test marketing of ads is realism. Regular viewing environments are used and the testing effects are minimized. A high degree of control is attained if the test is designed successfully. The disadvantages of test marketing measures are cost and time. Few firms have the luxury of spending months or years and upwards of a million dollars on such a test. In addition, there is always the fear that competitors may discover and intervene in the research process. Test marketing provides substantial insight into the effectiveness of advertising if care is taken to minimize the negative aspects of such tests.

Single-Source Tracking

More sophisticated approaches are **single-source tracking methods** that track the behaviours of consumers from the television set to the checkout counter. Participants in a designated area are given a card that identifies their household and gives the research company their demographics. The households are split into matched groups; one group receives an ad while the other does not, or alternative ads are sent to each. Their purchases are recorded from the bar codes of the products bought. Commercial exposures are then correlated with purchase behaviours. The single-source method is used to post-test ads by tracking the effects of increased ad budgets and different versions of ad copy to see the effects on various dependent measures and sales. Decades after implementation, single-source data fulfilled its claim for effective ad testing.¹⁶

Tracking Studies

A useful and adaptable post-test involves tracking the effects of the ad campaign by taking measurements at regular intervals (e.g., quarterly or semiannually). **Tracking studies** measure the effects of advertising on awareness, recall, interest, specific copy points, and attitudes toward the ad and/or brand as well as purchase intentions. Methods include personal interviews, phone surveys, mall intercepts, and even mail surveys, and sample sizes typically range from 250 to 500 cases per time period. Tracking studies yield perhaps the most valuable information available to the marketing manager for assessing current programs and planning for the future.

Tracking studies are tailored to each specific campaign and/or situation. A standard set of questions track effects of the campaign over time. Tracking studies have also been used to measure the differential impact of varying budget sizes, the effects of flighting, and the effects of each medium and all media combined. Finally, when designed properly, tracking studies offer a high degree of reliability and validity.¹⁷ The problems of recall and recognition measures are inherent in tracking studies as well, since many other factors may affect both brand and advertising recall. Despite these limitations, however, tracking studies are an effective means of assessing the effects of advertising campaigns.

In conclusion, one research method does not neatly fit within the groups of this chapter, so its characteristics are summarized separately. **IMC Perspective 9-1** describes A/B copy testing to illustrate how it works for pre-test and post-test measuring and how it is applicable for assessing creative decisions of broadcast, print, and out-of-home media, as well as adjusting digital communication such as display ad content, website design, and e-commerce communication.

IMC PERSPECTIVE 9-1

A/B COPY TESTING^B

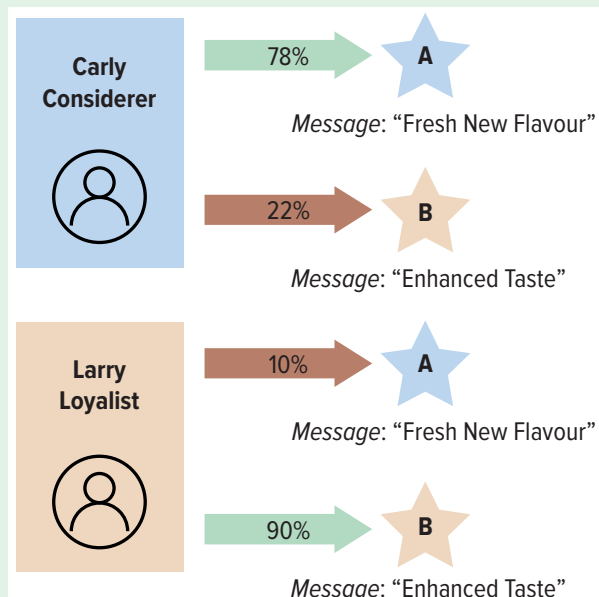
Many of the methodologies for measuring effectiveness fall into either the pre-test measuring group or the post-test measuring group. And in general, many of the pre-test measuring approaches follow qualitative research and the post-test measuring approaches follow quantitative research using survey or physiological-based methods. However, one methodology, A/B copy testing, stands out uniquely with its use for both pre-test measuring and post-test measuring. It also follows an experimental design research method versus an exploratory method, with focus groups for pre-test measuring and a descriptive method with surveys for post-test measuring.

A/B testing involves showing two versions of an ad to two different groups and comparing the results to see which one performed better on the desired results. In some applications, the “A” version represents the current

message and acts as a “control” to see the effects of the message change in the “B” version. The potential measures are the same ones described previously—processing, communication effects, and action—and the managers involved would agree on the exact criteria for each. For processing, the managers may want to understand the cognitive and emotional responses. For communication effects, the managers may want to see the attitudinal effects of the ads.

As noted earlier, the two ads could compare different aspects of the creative strategy and creative tactic decisions as seen in the cognitive response model. Strategically, the two ads could compare (1) emotional and rational messages or (2) different spokespersons delivering the message. Tactically, the two ads could compare (1) alternate headlines, (2) different visual

images, (3) variations in the colour design, or (4) two body copy structures. The A/B testing name is shortened for simplicity, but advertisers might test more than two versions of the ad. But with so many options illustrated, it is easy to see why there may be multiple versions of the ads tested.



For pre-test measuring, brands compare preliminary animations or finished ads to assess the target audience's reaction before committing to actual production or media placement costs. Thus the expenditures in research costs ahead of time outweigh the potential wasted expendi-

tures in later advertising steps. For post-test measuring, brands compare the effects of running some ads in one market versus running different ads in another market, as mentioned in the split-run test above.

A/B copy testing gravitated to Internet media significantly with thousands of experiments done annually. Digital display ads are quickly adjusted and placed in different markets or at different times, and response data immediately communicate which version consumers are responding to more favourably. Website designers modify creative aspects (e.g., images, layout, text) and immediately observe consumer response, such as changes in how long people visit the site. Testing is also done to see how variations of the check-out information influences consumers' final purchase.

Despite this growth, experts in the field remind managers of the importance of ensuring proper experimental design with a correct control group since results vary significantly with poor research design, leading to incorrect ad design decisions. Recent research using split-test experimental designs within Facebook is a new development, and good guidance to address these issues is now provided in academic journals.

QUESTION

1. Select an ad from this text and identify alternate versions that could have been tested prior to media placement.

LO5 IMC Planning: Program for Measuring Effectiveness

Some time ago, the largest US ad agencies endorsed a set of principles aimed at improving pre-test and post-test advertising research.¹⁸ The nine **PACT (Positioning Advertising Copy Testing)** principles shown in **Figure 9-1** are intended to guide research that assesses whether the ad campaign achieves its objectives. A major study sponsored by the Advertising Research Foundation (ARF) involving interviews with thousands of people addressed these issues.¹⁹ A number of academic journals and trade publications reported information about the study. The PACT principles are a logical extension of DAGMAR (introduced in **Chapter 5**) but provide more specific research suggestions.

Figure 9-1 Positioning Advertising Copy Testing (PACT)

1. Provide relevant measurements to the advertising objectives.
2. Agree how the results will be used in advance of each specific test.
3. Provide multiple measures to assess ad performance.
4. Apply a communication response model.
5. Determine whether the advertising stimulus is exposed more than once.
6. Require evaluation of alternative finished ad copy.
7. Ensure controls to avoid biasing effects of the exposure context.
8. Account for sample definition considerations.
9. Demonstrate reliability and validity.

When testing methods are compared to the criteria established by PACT, it is clear that the principles important to good copy testing can be accomplished. Principle 1 (provide measurements relative to the objectives sought) and Principle 2 (determine

how results will be used) are consistent with DAGMAR (**Chapter 5**) and are basic advertising management prescriptions along with Principle 6 (require equivalent test ads). Principles 3, 5, and 7 are in the control of the researcher. Principle 3 (provide multiple measurements) may require a larger budget to ensure additional questions are asked. Likewise, Principle 5 (expose the test ad more than once) is accomplished with a proper research design. Principle 7 (ensure non-biased exposure) is accomplished by using both lab and field measures over time to maximize the strengths of each. Principle 8 (sample definition) requires sound research methodology; any test should use the target audience to assess an ad's effectiveness. If the testing research adheres to Principles 1 through 8, then it likely achieves the reliability and validity points of Principle 9.

Finally, Principle 4 (use a response model) requires careful consideration for promotional planners. **Chapters 4 and 5** illustrated historic response models, however most practitioner methods do not integrate them into their methodologies. Models that do claim to measure such factors as attitude change or brand preference change have problems that limit their reliability, and the historic response models demonstrate significant conceptual limitations. In conclusion, **Figure 9-2** revises the PACT guidelines in the order of promotional planning and frames a decision sequence that reconfirms the material of the past few chapters.

Figure 9-2 Advertising effectiveness research in promotional planning

Consumer Response Model	Adopt the response model reflecting exposure, processing, communication effects and action.
Target Audience Behaviour & Communication Objectives	Multiple objective attainment contributes to marketing objective attainment.
Multiple Measures	Required to measure each part of exposure, processing, communication effects, and action.
Pre-Test & Post-Test	Maximize campaign information and ensure consistency of both tests.

Learning Objectives Summary

LO1 Identify the decisions for measuring promotional message effectiveness.

This chapter introduced decisions concerning measuring promotional message effectiveness. This information is critical for planning the next period, since program adjustments are based on evaluation of current strategies. We suggest that research measuring ad effectiveness is important to the promotional program and should be an integral part of the planning process. We indicated that creative strategy decisions, creative tactics decisions, and the messages associated with IMC tools are important for testing. Whether a lab or field test is required should also be determined. While there are many choices for research, a comprehensive, yet expensive, evaluation program would test all message variables with both lab and field methods. Moreover, research could occur prior to a campaign (i.e., pre-test) or after the campaign (i.e., post-test).

LO2 Describe what is measured to assess promotional message effectiveness.

The chapter reviewed the types of questions asked in the pre-test and post-test approaches used to assess whether an ad or ad campaign is effective in terms of message processing and communication effects. Both of these domains are relevant for both pre-test research and post-test research, although the wording and structure changes slightly. Comprehensive research applies a response model that accounts for both processing and communication effects and measures all aspects.

LO3 Summarize pre-test approaches for measuring promotional message effectiveness.

The chapter described research methods that cover the stages of developing a promotional program. Concept tests are used to evaluate initial ideas for creative strategies and promotional messages. Comprehension and reaction

tests along with consumer juries appeared useful to testing rough or preliminary examples of print ads and television storyboards. Finished ads are also tested prior to launching the campaign. Investment in these tests reassures managers so that costly media buys can be avoided. We reviewed portfolio tests, readability tests, and dummy advertising vehicles for evaluating completed print ads. Finished broadcast ads can be examined with theatre tests, on-air tests, and physiological measures.

LO4**Summarize post-test approaches for measuring promotional message effectiveness.**

Evaluations after the ads have been launched, known as post-tests, offer greater confirmation of the promotion effectiveness. Print ad post-tests include inquiry tests, recognition tests, and recall tests. Broadcast post-tests include day-after recall tests, comprehensive measures, test marketing, single-source tracking studies, and tracking studies. Single-source research data offer strong potential for improving the effectiveness of ad measures since commercial exposures and reactions may be correlated to actual purchase behaviours.

LO5**Appraise the requirements of proper effectiveness research.**

Finally, we reviewed the criteria (defined by PACT) for sound research and suggested ways to accomplish effective studies. It is important to recognize that different measures of effectiveness may lead to different results. Depending on the criteria used, one measure may show that an ad or promotion is effective while another states that it is not. This is why clearly defined objectives, evaluations occurring both before and after the campaigns are implemented, and the use of multiple measures are critical to determining the true effects of an IMC program.

Review Questions

1. Discuss the differences between pre-test measuring and post-test measuring, and lab testing and field testing.
2. What measures should a marketer use to assess effectiveness for message processing and for communication effects?
3. Why might a firm use theatre testing, on-air test, and physiological measures to pre-test its finished broadcast ads?
4. Why is it useful for an advertiser to do tracking research?
5. Why are the PACT criteria important for testing effectiveness?

Applied Questions

1. Select a popular ad campaign and explain whether it should have tested different creative strategy options or different creative tactics options.
2. Select an ad from the book and describe the questions that should be asked for a post-test for processing and communication effects.
3. Explain why you would or would not want to personally participate in a focus group of a rough ad.
4. Explain why you would or would not want to personally complete a tracking study questionnaire about a major ad campaign (e.g., Telus).
5. For any of the print ads located in the previous chapters, design a testing approach based on the final section of this chapter.

CHAPTER TEN

Media Planning & Budgeting for IMC



Ola Volo/RETHINK

LEARNING OBJECTIVES

- LO1** Illustrate how a media plan is developed.
- LO2** Identify the decisions and process for implementing a media strategy.
- LO3** Identify the decisions and process for implementing media tactics.
- LO4** Distinguish among the theoretical and managerial methods for media budget setting.
- LO5** Apply the methods for allocating the media budget to relevant IMC programs and market situations.

Artistic Media for YWCA^A

The YWCA of Metro Vancouver sought a new way to communicate to the public to increase awareness and donations as overall charitable giving declined across the country in 2020. The need of financial resources intensified for the agency as domestic violence increased when people spent more time at home. The Metro Vancouver YWCA offers a number of important programs: second-stage transition houses, services for children who witness abuse, support groups for single moms, job training, day-care, and housing projects.

A 42-foot mural on the Hyatt Regency Hotel in downtown Vancouver provided an attention-getting message that many people stopped to look at and take photographs of. The *Wall for Women* brought a hidden issue out in the open for all to see. An internationally renowned artist created the mural. The artist envisioned the imagery as symbols of bravery and hope, with a woman looking toward the horizon to embark on a better future. The painting began on Women's Day in 2021 with the artist and women volunteers from YWCA's support program.

Surprisingly, the artist embedded six painted QR codes within the painting. When people photographed the mural, each code took them to an important statistic about domestic violence, provided additional information, and requested a donation. The instant transmission to a digital message certainly surprised most viewers due to the imperceptible codes. In future, the permanent mural acts as a constant reminder to encourage more digital visits and greater donations.

The results of this innovative media proved strong, with 1.5 million impressions across multiple media and significant user-generated content in TikTok and Instagram. YWCA's owned social media channels received considerable engagement. Visits to the Wall for Women website hit triple the response to most website visits. And importantly, donations improved by 31% compared to past years.

Question

1. How could other organizations apply this example to their marketing communication situation and develop an innovative media decision?

Media planning involves decisions of when, where, and how an effective brand message is delivered to the target audience cost efficiently. Historically it occurred within advertising only, but decisions for media exposure occur for all IMC programs. Advertising media direct visitors to a brand's website or their unique social media vehicles. Communication of a sales promotion requires media delivery so consumers are aware of the offer and can act on it. Public relations campaigns use media planning principles to encourage visits to events or participation in brand activities. Thus, the media planning and budgeting decisions with reference to advertising described in this chapter are directly used for or transferred to other IMC programs.

This chapter describes media planning and budgeting decisions used for advertising and other IMC programs. First, the chapter illustrates the media planning process and the composition of a media plan. It then identifies the media strategy decisions and media tactics decisions in two subsequent sections. Next, the chapter distinguishes theoretical and practical methods for setting an IMC budget. Budget setting is located in this chapter because of the inherent trade-off between media decisions and financial resources. The IMC planning section illustrates examples budget allocation across IMC programs.

LO1 Media Planning

This section provides an overview of media planning to highlight the context in which messages are delivered, describes the content of a media plan to understand how its content is consistent with other elements of IMC planning, and indicates the challenges with media planning not found in other areas of IMC planning.

OVERVIEW

Media planning is the series of decisions involved in delivering the promotional message to prospective purchasers and/or users of the product or brand. One primary decision is the type of media selected among broadcast (i.e., television, radio), print (i.e., newspaper, magazine), out-of-the-home (i.e., outdoor, transit, place-based), and Internet (i.e., content publishers, social media). Each offers strengths and limitations that media planners consider in light of the marketing communication problem or opportunity; this is quite a challenge for most planners! In fact, the decisions become more complicated when choosing among alternatives within the same medium, like different television stations or shows and different social media vehicles.

Figure 10-1 illustrates the broad media options, summarizes the net advertising revenue of recent years, and shows that the total of reported media continued to grow. This table does not include advertising media not reported, meaning that the total is substantially above the levels shown. This snapshot demonstrates the significant shift in revenue away from print to digital that emerged noticeably in 2010.

Figure 10-1 Net advertising revenues (\$ millions)

Media	2011	2013	2015	2017	2019	2021
Television	3,682	3,537	3,345	3,195	3,145	3,067
Radio	1,576	1,600	1,576	1,495	1,429	1,021
Magazine	496	486	434	176	116	73
Newspaper	3,427	2,936	2,305	1,834	1,407	942
Out-of-Home	484	514	542	624	671	438
Internet	2,674	3,418	4,604	6,771	8,760	12,323
Total	11,944	12,106	12,399	13,636	15,066	17,323

Sources: Television: CRTC (2011, 2013); Statistics Canada (2015 to 2021); Radio: CRTC; Newspaper: News Media Canada; Magazine: Magazines Canada (2011), Numerator (2013 to 2021); Internet: IAB Canada; Out-of-home: Numerator; ThinkTV. Internet ad revenue includes online revenue for other media.

Academic research of this primary media planning decision examines the optimal expenditure level for each media and the right combination of media since these decisions influence both communication and financial results. A study of the SUV market concluded that national image-oriented messages on TV and print positively influenced brand loyal customers, and tactical promotional messages of the same media positively influenced brand switching consumers.¹ Another study compared the effects of national advertising through broadcast and print media, regional advertising in local TV and local newspapers, and online advertising. It discovered that all three contributed positively to long-term profitability, but each contributed negatively to one another, indicating the importance of planners selecting an optimal allocation among choices.² Finally, practical research concluded that multiple media plans achieve stronger communication effects and produce stronger financial results provided there is a unified creative across exposures. This holds true for campaigns directed to all demographic audiences using established broadcast and print media with digital media.³

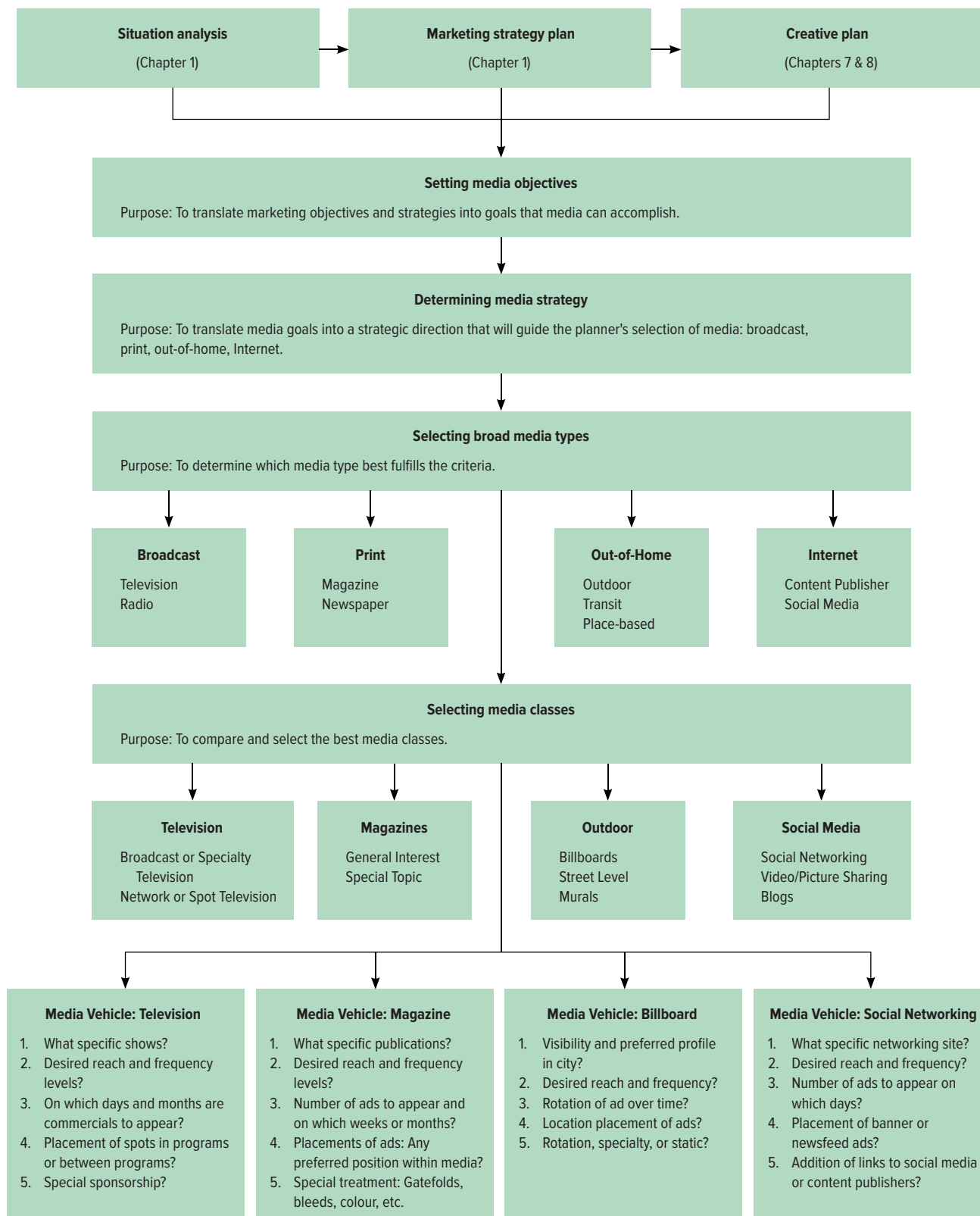
Another factor to consider when selecting media involves the degree to which the effect of each media continues beyond the initial exposure. Thus, the concept of a carryover effect discussed in **Chapter 5** is therefore relevant for initial media planning. One study found that the communication effect of billboard and newspaper ads lasted for 2.2 and 1.4 weeks respectively.⁴ Another study established standard carryover effects that managers apply to different types of media. The overall conclusion is that long-term media carryover effects are four times stronger than short-term effects.⁵ At the campaign level using multiple media, the carryover effect averages three months.⁶ The implication of this for media planning is that the right media expenditures significantly improve a brand's future results. In addition, a brand's use of owned digital media, like its website, combined equally with paid advertising media contributes significantly to improving sales.⁷

Decisions made during the media planning process build on past promotional decisions such as selecting target audiences, establishing objectives, and formulating creative strategies shown in the planning model of **Chapter 1** and explained in the first half of this book. The media plan comprises media objectives, media strategy, and media tactics and follows a similar development path as other promotional decisions but focuses on the best way to deliver the message. **Media objectives** are derived from the communication objectives and guide the other two media decisions. **Media strategy** decisions involve the media selected, target audience coverage, geographic coverage, scheduling, and reach and frequency. **Media tactics** decisions concern media vehicles selected, relative cost estimates, specific scheduling points shown in a blocking chart, and any additional execution details. These decisions of the media plan are presented in **Figure 10-2**. Although this template shows a few media for illustrative purposes, the general process is similar for all media.

Media planning occurs for advertising, but it is also a part of other IMC decisions. Sales promotions require media expenditure to communicate the offers available or for distribution. Public relations activities use media to communicate corporate activities with respect to sponsorship or community events. A number of media are available for direct marketing. In general, the decisions for media strategy and media tactics are applicable for IMC activities beyond advertising. Finally, media planning faces the challenge of optimizing the attainment of communication and behavioural objectives by allocating a prescribed budget for advertising and IMC programs. In fact, marketing managers experienced financial accountability pressures and now calculate a return on marketing investment (ROMI) based on their media budget.⁸ Furthermore, research of multimedia plans investigates the financial impact to determine the optimal media weighing to maximize ROMI performance.⁹ The importance of the media decisions in the context of all IMC decisions is illustrated with research in the quick-service restaurant industry.

A study found that TV, print, and outdoor media, along with message quality, predicted sales positively, while sales promotions predicted sales negatively and Internet display ads did not predict sales.¹⁰

FIGURE 10-2 Activities involved in developing the media plan



MEDIA PLAN

The media plan documents the decisions that ensure an advertiser's message is delivered through media channels to the target audience. The goal of the media plan decisions is to find the combination of media that enables the marketer to communicate the message in the most effective manner to the largest number of the target audience at the lowest cost. This section reviews the media plan content regarding media objectives, media strategy, and media tactics.

Media Objectives

Similar to other types of objective setting, media objectives are based on information from the situation analysis and are related to other parts of the communication plan. Media objectives are derived from and designed to lead to the attainment of communication and behavioural objectives, and they contribute to achieving marketing objectives. Thus, media objectives are the goals for the media program and are limited to those that media strategies accomplish. **Figure 10-3** illustrates examples of media objectives *derived* from three communication and two behavioural objectives. The application of media planning objectives from the previously defined communication and behavioural objectives provides continuity throughout the entire plan.

Figure 10-3 Application of media planning objectives

Media Planning Objective: Category Need	Select media to sufficiently demonstrate how the target audience requires the product category. Provide sufficient exposure to ensure 80% of the target audience understands the need for the product category.
Media Planning Objective: Brand Awareness	Select media to provide coverage of 80% of the target audience over a six-month period. Provide sufficient exposures to ensure 60% target audience brand recognition. Concentrate schedule during target audience's peak purchasing time.
Media Planning Objective: Brand Attitude	Select media to ensure that 40% of the target audience know the brand's benefits and have positive emotions associated with the brand. Schedule creative executions over six months to heighten emotional brand associations and minimize fatigue.
Media Planning Objective: Brand Trial	Select media to allow immediate purchase of brand. Schedule sufficient number of opportunities for target audience brand engagement.
Media Planning Objective : Brand Repeat Purchase	Select media to remind target audience of brand purchase. Provide sufficient advertising throughout the year to minimize target audience switching.

The content and number of media objectives are at the promotional planner's discretion. These examples illustrate the degree to which the link between objectives is not an easy step. The media objectives give direction for the media strategy and tactics decisions. After implementation, marketers assess whether or not they were successful. Measures of effectiveness consider two factors: (1) How well did these strategies achieve the media objectives? (2) How well did this media plan contribute to attaining the overall marketing and communications objectives? Answers to these questions provide direction for future media plans.

Media Strategy

Figure 10-2 indicates that the primary media strategy decision moves from a broad media decision to a more specific media decision. The **medium** is the general category of available delivery systems, which includes broadcast media (i.e., TV, radio), print media (i.e., newspapers, magazines), out-of-home media (i.e., transit, outdoor, place-based), and Internet media (i.e., content publishers, social media). **Media type** refers to the individual media within a medium, so TV is a media type, as is radio, and the term is usually shortened to "media." After or during this evaluation, media planners consider the relative strengths and limitations of broad **media class** options.

In making the media strategy, a media planner considers three key decisions. **Reach** is a measure of the number of different audience members exposed at least once to a media vehicle in a given period of time. **Coverage** refers to the potential audience that might receive the message through a vehicle. Coverage relates to potential audience; reach refers to the actual audience delivered. (The importance of this distinction will become clearer later in this chapter.) Finally, **frequency** refers to the number of times the receiver is exposed to the media vehicle in a specified period.

Media Tactics

After establishing the strategic direction of the media plan, media planners make more specific media decisions like the media vehicle. The **media vehicle** is the specific carrier within a media class. For example, *Maclean's* is a print vehicle; *Hockey Night in Canada* is a television vehicle. As described in later chapters, each vehicle has its own characteristics as well as its own relative strengths and limitations. Specific decisions are made about the value of each in delivering the message.

While making the media vehicle decision, media planners evaluate the options carefully to maximize coverage, reach, and frequency, and to minimize costs. For example, according to **Figure 10-2**, once print is selected, media planners decide which specific magazine(s) to select. In addition, certain factors, such as back cover placement, are evaluated. The tactical decisions include relative cost estimates that may lead to refinements in the allocation of media dollars. Finally, the complete plan is summarized in a blocking chart that identifies media coverage gaps requiring additional evaluation before completing the media plan.

Canadian Advertising Rates and Data (CARD) provides cost data for some media and offers extensive information regarding all media. CARD identifies every media outlet and gives a description of the outlet's service and audience. The resource also provides the actual costs of media for calculating the media budget. Data regarding some media are not provided (e.g., TV), while some promotional media costs (e.g., coupon book) are included. Students typically retrieve this information through their library's computer network. Media planners usually obtain this information directly from media organizations.

MEDIA PLANNING CHALLENGES

Since media planning is a series of decisions, a number of challenges contribute to the difficulty of establishing the plan and reduce its effectiveness. These problems include insufficient information, inconsistent terminologies, need for flexibility, role of media planners, and difficulty measuring effectiveness.

Insufficient Information

A great deal of information exists about markets and media, but media planners require more than is available. Some data are not measured, either because they cannot be or because measuring them would be too expensive. The timing of measurements is also a problem; audience measures are taken only at specific times of the year for most media. This information is then generalized to succeeding months, so planning decisions are based on past data that may not reflect current behaviours. Think about planning for TV advertising for the fall season. There are no data on the audiences of new shows, and audience information taken on existing programs may not indicate how these programs will do in the fall as most shows eventually lose their audience.

Inconsistent Terminologies

Problems arise because of different ways media express their price, and the standards of measurement used to establish these costs are not always consistent. For example, print media may present its cost data in terms of the cost to reach a thousand people (cost per thousand, or CPM), while broadcast and outdoor media may use the cost per ratings point (CPRP). Audience information that is used as a basis for these costs has also been collected by different methods. Finally, terms that actually mean something different (such as *reach* and *coverage*) may be used synonymously, adding to the confusion.

Need for Flexibility

Most media plans are written annually so that all participants are well informed, and results are measured against objectives. However, media planners juggle between requiring a document for action and needing flexibility due to changes in the marketing environment. An opportunity to advertise within a new media vehicle might arise and the planner may shift its expenditure from one medium to another. A competitor may spend more money in certain media and the planner decides a change is required to defend against the threat. Preliminary decisions may not be feasibly implemented in terms of medium availability, thus requiring an adjustment. Poor audience size data in a media vehicle may necessitate a movement of money to another.

Role of Media Planners

Media planners face expectations from other organizational players. Procurement specialists put extensive pressure on the media decisions in an effort to save money. Clients request media plans prior to contracting services. Decision makers of other IMC programs look to media planners to implement decisions instead of being decision-making participants.

Difficulty Measuring Effectiveness

Because of the potential inaccuracies of measuring the effectiveness of advertising and promotions, it is also difficult to determine the relative effectiveness of media or media vehicles. While progress has occurred across most media, media planners usually balance quantitative data with subjective judgments based on experience when comparing media alternatives. The next section explores how media strategies are developed and ways to increase their effectiveness.

IMC Perspective 10-1 profiles four media agencies that performed the media planning for many clients to show how important this kind of agency is for advertisers. *Strategy* recognized each agency with a Media Agency of the Year award.

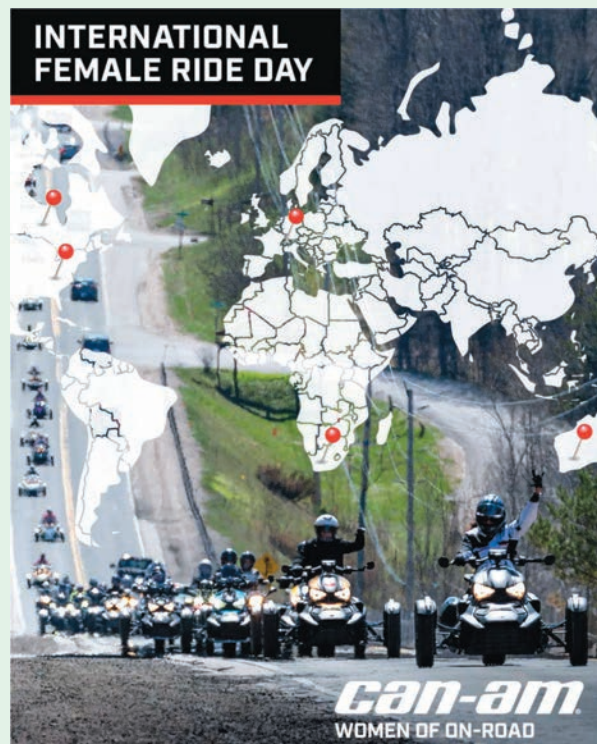
IMC PERSPECTIVE 10-1

MEDIA PLANNING FROM MEDIA AGENCIES^B

Initiative achieved Media Agency of the Year Gold while working with brands like Tourism Alberta and RBC. A key driver is its new Storyline division that produces brand content. Research indicated that content influenced consumers during the latter part of their decision-making process, so Initiative saw Storyline as an important part of a top media agency. The content team works closely with notable partners like Bell Media and *The Globe and Mail*. For Tourism Alberta, Storyline established “The Art of Winter” event by inspiring 11 local artists to create original art with a winter theme shown in a virtual display and within *The Globe and Mail*. For RBC, Storyline developed online content to reposition retirement as a “second act” for those just entering that phase of their life. One video featured Donovan Bailey, who mentors young athletes.

Wavemaker achieved Media Agency of the Year Silver with its strong work serving clients like KFC and Molson Canadian. A new internal process of client management focused their agency on planning, auditing, and creativity. Planning included research to identify target audiences more precisely. Auditing drove the agency to discover new opportunities. Creativity led personnel to greater collaboration during creative development. For Molson Canadian, Wavemaker launched a campaign of multiple media to communicate a truly Canadian case of beer with 24 beers from different brands to go up against strong American brands like Budweiser.

Touché continued to lead with its fifth consecutive award by receiving Media Agency of the Year Bronze while working with brands like Can-Am and Volkswagen. The agency developed an audience-planning process to find consumer information from a variety of sources. For Can-Am, the agency set up a private Facebook group to listen to why they did not use or try the brand’s three-wheel vehicle. The insight led to the decision to partner with Rolling Stone’s “Women Shaping the Future” event to communicate Can-Am’s “Women of On-Road” mentorship program to encourage women to give the vehicle a try. The media reached 3 million women and increased sales by 15%. For Volkswagen, Touché investigated consumer online search for vehicles to understand the underlying motivation and responded with a mobile ad campaign directing consumers to the virtual VW dealership.



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QUESTION

1. Explain why a media agency is critical for IMC planning.

LO2 Media Strategy Decisions

After determining the media objectives, media planners develop a media strategy that consists of five decisions: media mix, target audience coverage, geographic coverage, scheduling, and reach and frequency. This section investigates each of these decisions that are applicable for advertising and media exposure for other IMC decisions.

MEDIA MIX

A wide variety of media are available to advertisers in which one or more are selected. The behavioural and communication objectives, the characteristics of the product or service, the size of the budget, the target audience, and individual preferences are primary factors that determine the combination of recommended media. For instance, analysis of longitudinal media mix data found strong associations between product characteristics and media selected; advertisers selected TV as a primary media for low involvement-transformational persuasion and magazines as a primary media for high involvement-informational persuasion.¹¹ While an evaluation of each medium occurs within the perspective of the communication situation, each medium also has varying degrees of use across segmentation variables. In addition, as noted at the end of **Chapter 5**, each media uniquely influences consumers at varying stages of their decision making.

The context in which the ad is placed affects viewers' responses, and the creative strategy may require certain media. Therefore, within the media mix a single medium becomes the primary medium where a majority of the budget is spent or the primary effects occur. Because TV and online video provide both sight and sound, they may be more effective in generating emotions than other media. The long-running visual campaign to attract tourists to Newfoundland and Labrador used TV to convey the experience of actually being in the province while viewing. Later, the campaign expanded the delivery online. Magazines may create different responses from newspapers, so brands might use one form of print versus another. In some situations, the media strategy pursued may be the driving force behind the creative strategy, as the media and creative departments work closely together to achieve the greatest impact with the audience of the specific media.

By employing a media mix, advertisers add more versatility to their media strategies, since each medium contributes its own distinct advantages. By combining media, marketers increase coverage, reach, and frequency levels while improving the likelihood of achieving overall communication and marketing goals. The media and media-usage characteristics shown in **Figure 10-4** provide a consistent set of criteria to evaluate all media. Media characteristics reflect the media strategy decisions, as each media offers varying capabilities to maximize the strategic potential. Media-usage characteristics reflect processing (i.e., immediate experience of media exposure), as each media offers varying capabilities for receivers to experience the message. In subsequent chapters, these media and media-usage characteristics are applied to summarize the strengths and limitations of each media reviewed. Note that these strengths and limitations are general characteristics that guide the media mix decision, however within a given medium there is variation in the magnitude of the evaluation due to unusual examples or the size of the media organization.

Figure 10-4 Media and media-usage characteristics

Media Characteristics	Media-Usage Characteristics
Target audience selectivity	Control for selective exposure
Target audience coverage	Attention
Geographic coverage	Creativity for cognitive responses
Scheduling flexibility	Creativity for emotional responses
Reach	Amount of processing time
Frequency	Involvement
Absolute cost per placement	Clutter
Relative cost per exposure	Media image

With these competing variables, it becomes clear why media planners spend considerable effort getting the media mix decision right. When making this decision, citing or repeating the general strengths and limitations is not a sufficient explanation. The evaluation of each characteristic is related to the specific communication situation a particular brand faces to explain how the media decision contributes to the brand achieving its relevant objectives. In addition, analyzing how each medium influences the target audience in the consumer decision-making process is another factor to account for when making the media mix decision. For example, one media is likely more effective for need recognition while another media is likely more effective for evaluation of alternatives. Finally, a complicating factor is the simultaneous consumption of multiple media, in particular

using another screen (e.g., mobile device) while watching TV. Comprehensive research concludes that multi-screening leads to weaker brand communication effects.¹² While multiple media consumption is not new, since people in the past had the TV on while reading a newspaper or magazine, the video and interactive capabilities of the second screen is a significant message processing alteration.

TARGET AUDIENCE COVERAGE

Media planners determine which target audiences receive the most media emphasis. Developing media strategies involves matching the most appropriate media to this audience by asking, “Which media and media vehicles delivers the message to prospective buyers?” The issue here is to get coverage of the audience, as shown in **Figure 10-5**. The optimal goal is full audience coverage, shown in the second pie chart. More realistically, conditions shown in the third and fourth charts are likely to occur in most marketing situations. In the third chart, the media coverage does not cover the entire target audience, leaving a portion without exposure to the message; this is known as *partial coverage*. In the fourth chart, the media coverage exceeds the target audience, resulting in overexposure of the message or **excessive coverage**. In short, excessive coverage exposes a message to consumers who are not potential buyers or users. Communicating with consumers who are not within the target audience is money that could have been saved or spent on other media or other IMC programs.

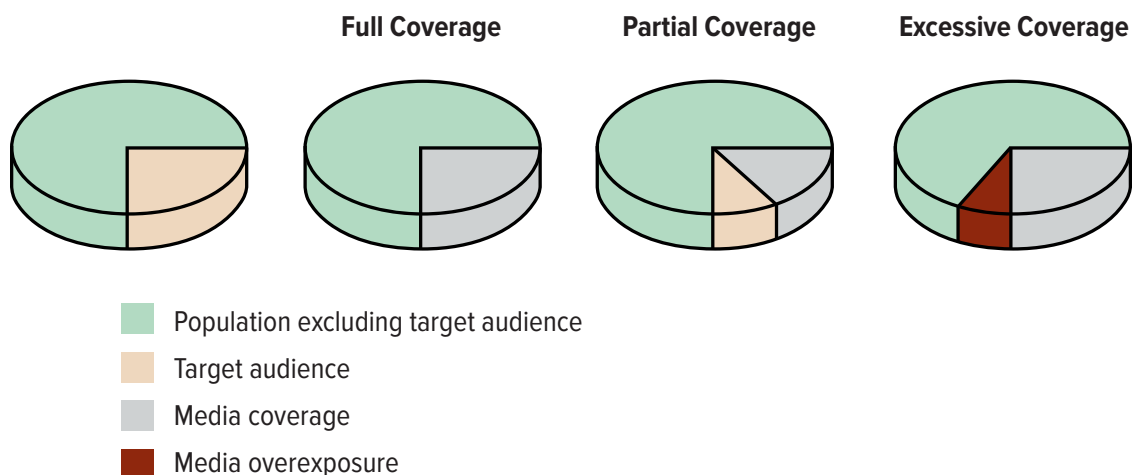
A media plan extends media coverage to as many members of the target audience as possible while minimizing the amount of excessive coverage. The decision usually involves a trade-off between target audience coverage and the media’s effectiveness for message delivery, resulting in an assessment as to whether partial or excessive coverage is the preferred route. Excessive coverage is justified because the media selected is the most effective means of message delivery and the cost of the extra coverage is exceeded by the potential value gained. For example, if the additional consumers receiving the message are not significantly different than the intended target audience (e.g., slightly different demographics), then the expenditure may not be completely wasted. An additional factor complicating this trade-off is the media cost, both relative and absolute. If the media overexposure occurs with an inexpensive media (e.g., out-of-home, radio) then the excessive coverage may not be that expensive. However, a more costly media (e.g., TV) might sway the decision toward partial coverage and with the extra budget allocated to additional media.

The target audience coverage decision relies on primary research and published (secondary) sources. This research shows the number and percentage of consumers for a particular product category across demographic variables and their media consumption habits. Sources of audience information such as this are reviewed in subsequent media chapters, and some of it is presented as an **index number**, derived from the following formula:

$$\text{Index} = \frac{\text{Percentage of users in a demographic segment}}{\text{Percentage of population in the same segment}} \times 100$$

An index number over 100 means use of the product is proportionately greater in that segment than in one that is average (100) or below average (less than 100). Depending on the strategy, marketers use this information to target groups consuming the product, or to identify a different group that is using the product less and attempt to develop that segment. In addition to the index, percentages and product usage figures provide a more accurate picture of the market. A very high index for a particular segment doesn’t mean it is the only attractive segment to target since the high index may be due to a low denominator (i.e., small proportion of the population in this segment).

FIGURE 10-5 Marketing coverage possibilities



Understanding coverage in a multimedia environment is proving difficult for media planners since consumers frequently consume more than one medium at a time. This is a significant trend since coverage historically implied a reasonably close association with exposure and processing of the advertising message. Clearly, the communication is limited even further if other media are competing for the people's attention. However, communication is intensified for an individual brand if viewers go to a social media site after a TV ad prompt, thereby affecting subsequent TV ads for other brands.

One research study regarding media coverage for a beverage product concluded that the right mix of TV, gift-packs, in-store displays, and outdoor covered a broad base of category users. It also found that the best coverage for heavy users included public relations, websites, sampling, print, radio, online, and events. Brand growth should avoid media that are associated with heavy category usage. Social media and word-of-mouth proved strong for continued category usage, but not brand growth.¹³ These findings imply that both brand and category factors as well as the previous decisions—marketing objectives, target audience, behavioural objectives, and communication objectives—will influence the media mix decision and target audience coverage.

GEOGRAPHIC COVERAGE

Geographic coverage addresses the question of where a brand advertises. The scope of this decision depends on a few situational variables, such as where the brand is located, where its products are sold or distributed, which media are selected, and the size of the advertising budget. This suggests that the geographic coverage decision is very broad for major brands, in which planning occurs for provinces, regions, or major cities across the country. Alternatively, planning for a regional brand (e.g., Ontario) entails advertising to the entire province, or selective large and mid-sized cities. For example, a brand advertises in the top nine Ontario cities in which the population is greater than 200,000.

Planning for a brand that markets within a city means the geographic coverage decision involves relevant neighbourhoods. For example, a premium brand sends a direct-mail ad to households in areas with higher-than-average income. Or the city decision involves deciding between the downtown area versus the suburbs. For example, a brand using place-based media advertises in entertainment locations downtown and in gyms in the suburbs. Note that city coverage decisions are applicable for the other two levels of geographic coverage. For example, a brand selecting out-of-home media for all major cities across the country still determines which part of each city to place its message.

From a national perspective, does a brand advertise in markets (e.g., provinces or cities) where it is the leader to maintain market share, or does growth potential exist in markets where it is not the leader? In short, firms advertise in markets where it will achieve its desired marketing objectives. Two useful calculations that marketers examine to make this decision are the Brand Development Index and the Category Development Index.

The **Brand Development Index (BDI)** compares the percentage of the brand's total sales in a given market area with the percentage of the total population in the market to determine the sales potential for that brand in that geographic area:

$$\text{BDI} = \frac{\text{Percentage of brand to total Canadian sales in the market}}{\text{Percentage of total Canadian population in the market}} \times 100$$

An example of this calculation is shown in **Figure 10-6**. The higher the index number, the more potential exists for the brand. In the case of this market, the index number indicates a high potential for brand development since it is well above the average of 100. An index number below 100 would indicate a market below average for the brand.

Figure 10-6 Calculating BDI

$$\begin{aligned} \text{BDI} &= \frac{\text{Percentage of total brand sales in Ontario}}{\text{Percentage of total Canadian population in Ontario}} \times 100 \\ &= \frac{50\%}{34\%} \times 100 \\ &= 147 \end{aligned}$$

The **Category Development Index (CDI)** is calculated like the BDI except it uses information regarding the product category instead of the brand in the numerator. The CDI provides information on the potential for development of the total product category rather than specific brands:

$$\text{CDI} = \frac{\text{Percentage of product category total sales in market}}{\text{Percentage of total Canadian population in market}} \times 100$$

An example of this calculation is shown in **Figure 10-7**. The marketer analyzes the CDI to find out how well the category is doing in one market relative to how well the category is doing in other markets. Again, the higher the index number, the more product category sales potential exists.

Figure 10-7 Calculating CDI

$$\begin{aligned}\text{CDI} &= \frac{\text{Percentage of product category sales in Alberta}}{\text{Percentage of total Canadian population in Alberta}} \times 100 \\ &= \frac{8\%}{11\%} \times 100 \\ &= 73\end{aligned}$$

An insightful promotional strategy is developed when combining the CDI and BDI data. **Figure 10-8** shows four potential combinations where each of the CDI and BDI indices are above and below the average and are designated as high and low. For example, high CDI-high BDI is a situation where the market represents good sales potential for both the product category and the brand. In the opposite quadrant, the low CDI-low BDI shows a situation where a marketer likely decides not to advertise since both indices are below average. The other two quadrants show mixed results since one is low and the other is high, providing the manager with an option of building a strong brand in a weak market or building a weak brand in a strong market. The automotive industry is an example where these calculations are useful since these brands know the sales of each vehicle type in each market.

Figure 10-8 Using BDI and CDI indexes

	High BDI	Low BDI
High CDI	High market share Good market potential	Low market share Good market potential
Low CDI	High market share Monitor for sales decline	Low market share Poor market potential

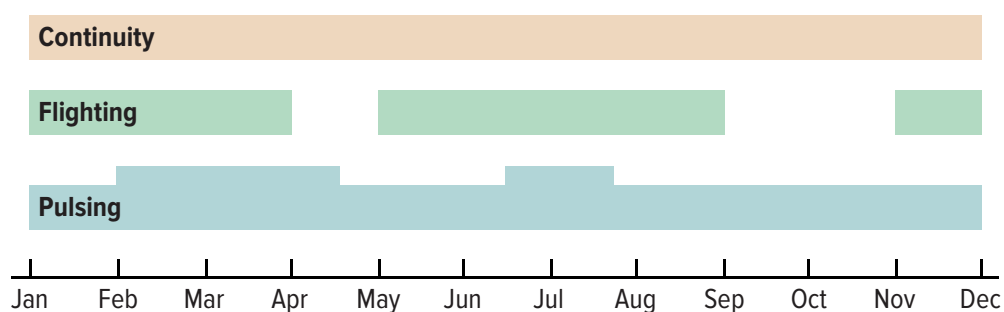
In conclusion, media planners understand the geographic coverage capabilities of each media when finalizing this decision. This point is addressed in each media chapter, but for now the capabilities are briefly highlighted to illustrate how the two decisions are related. TV and magazine coverage is national, regional, or by city. Radio, newspaper, and out-of-home coverage is mostly on a city basis. Finally, Internet media offers a few different types of media exposure in which coverage is planned nationally, regionally or locally.

SCHEDULING

Companies intend to keep their advertising in front of consumers at an appropriate level to maintain their behavioural and communications objectives and support their brand positioning strategy. The primary objective of scheduling is to time promotional efforts to coincide with the highest potential buying times and other important brand-building opportunities. For some products, these times are not easy to identify; for others, they are obvious. Three scheduling methods—continuity, flighting, and pulsing—are shown in **Figure 10-9**.

Continuity refers to a continuous pattern of advertising, which may mean every day, every week, or every month. The key is that a regular (continuous) pattern is developed without gaps or non-advertising periods. It is important to note that continuity is entirely predicated on the time period. For example, placing an ad in the newspaper every Monday for a whole year is continuous on a weekly basis, but not continuous on a daily basis. Such strategies might be used for advertising for food products, or other products consumed on an ongoing basis without regard for seasonality.

FIGURE 10-9 Three methods of promotional scheduling



Flighting employs a less regular schedule, with intermittent periods of advertising and non-advertising. In some time periods there are heavier promotional expenditures, and in others there may be no advertising. Snow skis are advertised heavily between October and April; less in May, August, and September; and not at all in June and July. The weekly newspaper placement example is *flighting* on a daily basis since there is no advertising for the other days of the week.

Pulsing is a combination of the first two methods. In a pulsing strategy, continuity is maintained, but at certain times promotional efforts are stepped up. In the automobile industry, advertising continues throughout the year but may increase in April (tax refund time), September (when new models are brought out), and the end of the model year. Advantages and disadvantages to each scheduling method are shown in **Figure 10-10**.

Figure 10-10 Characteristics of scheduling methods

	Advantages	Disadvantages
Continuity	Serves as constant reminder Covers entire purchase cycle Allows for media priorities (discounts, preferred locations, etc.)	Higher costs Potential for overexposure Limited media allocation possible
Flighting	Relative cost during purchase cycle Allows for more than one medium/vehicle with limited budget Ad flight offers more exposure versus competitors	Increased likelihood of wear-out Lack of awareness, interest, message retention during nonscheduled times Vulnerability to competitive efforts during nonscheduled periods
Pulsing	Same as previous two methods	Not required for seasonal/cyclical products

As implied above, advertisers decide on the exact days, weeks, or months in which to advertise, so a good media plan provides extensive details on the exact timing of the placement. For example, a brand plans for a magazine placement during spring months, a TV placement on weekends, and Internet display ads placement in the morning.

Another scheduling decision involves the order in which each medium occurs when multiple media are in the plan. Which medium occurs first if TV, magazines, and outdoor are used in the campaign? Alternatively, are all media be placed simultaneously? Media placement constraints remove a planner's ability to completely control this decision, but nevertheless, the order is an important consideration.

REACH AND FREQUENCY

Media planners usually trade off reach and frequency to attain behavioural and communication objectives because of budget constraints. They decide whether to have the message be seen or heard by more people (reach) or by fewer people more often (frequency). This trade-off requires a complex investigation to answer these two questions for any media, and by extension, the whole media plan and the entire IMC plan.

How Much Reach Is Necessary?

A universal communication objective is product and/or brand awareness. The more consumers are aware, the more they are likely to consider the brand throughout the decision-making process. Achieving awareness requires reach—that is, exposing the target audience to the message. New brands or products need a high level of reach since the objective is to make all potential buyers aware. High reach is also desired at later purchase-decision stages since a promotional strategy might use a free sample. An objective of the marketer is to reach a larger number of people with the sample in an attempt to make them learn of the product, use it, and develop a favourable attitude toward it that may lead to an initial brand trial purchase.

Reach is the number of target audience individuals exposed at least once to a media vehicle in a specific time period. Media planners use weekly, monthly, or quarterly time periods that are known as *advertising cycles*. The reach number is usually expressed as a percentage provided the number of target audience individuals is clearly identified. For example, the most watched TV show each week gets about 1.8 million viewers, according to Numeris, and the population of Canada is about 36 million. Thus the reach of an ad placed on the most watched show is approximately 5% for the advertising cycle of one week. Note that the audience size of 1.8 million is for an English TV show, so the Canadian population number could be lowered to more accurately calculate the reach level of English-speaking Canadians of about 6%.

$$\text{Reach} = \frac{\text{Number of people watching TV ad}}{\text{Number of people in Canada}} = \frac{1.8 \text{ million}}{36 \text{ million}} = 5\%$$

Reach is compiled over any time period (i.e., week, month, year), geographically (i.e., city, province), or for any demographic (e.g., women aged 18–35). This logic extends to essentially any segmentation variable that is within the Numeris database. Beyond TV, reach is computed for any other media used for advertising or other IMC programs with a media plan component. Thus, no matter what audience characteristics media planners work with, the ratio remains as follows:

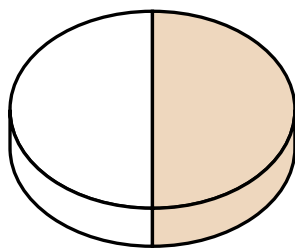
$$\text{Reach} = \frac{\text{Number of people in target audience exposed to the media vehicle}}{\text{Number of people in target audience}}$$

The concept of reach gets more complex and complicated going beyond the placement of one ad in one media. Returning to the application to TV, if one ad is placed on one TV show one time, the number of people exposed is the reach (**Figure 10-11A**). However, brands use multiple media vehicles such as more than one TV station or TV show, so it is possible that the target audience is exposed to an ad more than once. **Figure 10-11B** illustrates the situation of placing an ad on two different TV shows with each reaching a unique audience but also attracting a portion that overlaps with the other TV show. **Figure 10-11C** visually depicts the number of people reached by both shows who *watched both shows*, which is referred to as **duplicated reach**. **Figure 10-11D** visually depicts the number reached by both shows who *watched only one show*, which is referred to as **unduplicated reach**. Media plans should account for both unduplicated reach and duplicated reach, or acknowledge which is used, to provide comprehensive reporting of the media buy.

The TV example indicated that a media planner would place an ad on many TV shows to achieve a reach level of, say, 30% for a brand. Also, if the decision is to achieve even higher levels of reach, then media planners place the ad in additional media beyond TV, which is one of the reasons why most campaigns include multiple media. Extending this across the entire media mix beyond TV, media planners select multiple media to achieve the required reach level corresponding to the target audience coverage decision noted previously. The amount of reach is estimated through the information contained in the target audience profile regarding customer group (i.e., loyal users or new category users) and other variables like demographics. Based on this information, media planners would know if the required reach is a niche market requiring a selective 10% or a broader audience of moving toward 50%, in whatever geographic or timing parameters are decided upon. While reach is an important decision, the duplicated reach resulting in a greater number of exposures for a portion of the target audience leads to the next question: What frequency of exposure is necessary for the ad to be seen and to have a communication effect?

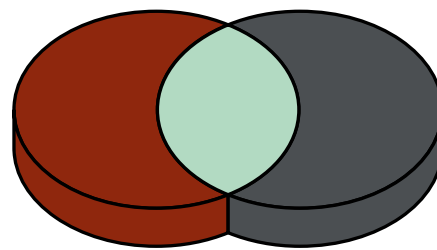
FIGURE 10-11 Representation of reach and frequency

A. Reach of One TV Program



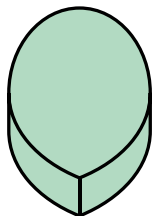
Total market audience reached

B. Reach of Two Programs



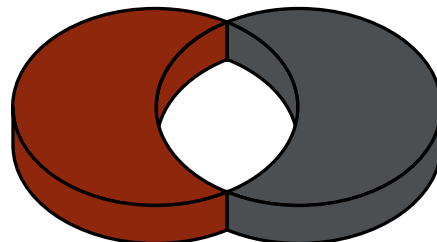
Total market audience reached

C. Duplicated Reach



Total market reached
with both shows

D. Unduplicated Reach



Total reach less
duplicated reach

What Frequency Level Is Needed?

Frequency is the average number of times a target audience individual is exposed to media vehicles in a specific time period. Frequency is dependent upon how much media target audience individuals consume, which ranges substantially. This means that frequency expressed as an average is derived from a frequency distribution. Continuing with the TV example, ads placed once in each of the top 10 shows in a given week would provide a frequency of 1.75 (using Numeris data from a randomly selected week for English TV).

$$\text{Frequency} = \frac{14 \text{ million exposures across 10 TV shows}}{8 \text{ million individuals exposed to ad}} = 1.75 \text{ exposures per person}$$

The 14 million exposures are calculated by adding the numbers of people who watched each show. However, some people watch two or more shows, resulting in fewer people actually exposed to the ad. Thus, the 8 million individuals exposed to the ad represent the total number of “unduplicated” viewers for all 10 shows who potentially saw the 24 million exposures. The 8 million is *estimated* by adding the unduplicated viewers for each of the 10 shows. The most watched show had 1.8 million viewers. To that number, the unduplicated numbers of viewers is added for all the other nine shows. To calculate unduplicated numbers, the actual ones are adjusted downward by a percentage of possible repeat viewers.

The second most watched show reached 1.7 million, resulting in 1.5 million unduplicated viewers [i.e., $1.6 \times (28 - 1.8)/28$]. The percentage of people not watching the first show has an equal chance as those watching the second show. These calculations carry on for each subsequent show so that by the tenth show, the unduplicated audience is reduced. These calculations are done for all media individually and combined across all media, but the general calculation remains as follows:

$$\text{Frequency} = \frac{\text{Total number of exposures}}{\text{Total number of unduplicated individuals exposed to media vehicle}}$$

The example with the Numeris data is calculated with all viewers, but the data could be refined to a specific demographic and/or other variables used to profile the target audience. The general calculation remains the same, but the numbers will change correspondingly to observe the frequency of exposure for the target audience. Furthermore, actually calculating total exposures to estimate frequency is generally done by computer software as the complexity intensifies exponentially with multiple media vehicles.

The above discussion suggests frequency is the number of times one is exposed to the media vehicle, not necessarily to the ad itself. While one study has estimated that the actual audience for a commercial may be as much as 30% lower than that for the program, not all researchers agree.¹⁴ Most advertisers do agree that a 1:1 exposure ratio does not exist. So while the ad may be placed in a certain vehicle, the fact that a consumer has been exposed to that vehicle does not ensure that it has been seen. As a result, the frequency level expressed in the media plan overstates the actual level of exposure to the ad. This overstatement has led some media buyers to refer to the reach of the media vehicle as “opportunities to see” an ad rather than actual exposure to it.

With the calculation of frequency having been defined and illustrated, the question remains of how much frequency is needed within an advertising cycle. Practitioners and academic researchers investigated this question for decades, and **Figure 10-12** summarizes their findings. The conclusion that three exposures within an advertising cycle may be sufficient for communication effects to take hold implies that this average is the minimum; however, anyone in the target audience who receives only one or two exposures presumably would not be aware of the brand or understand its performance. Therefore, the average exposure level would have to be higher to ensure sufficient communication for all who were exposed to the message. In addition, going beyond three exposures still provides positive effects, as noted in point four. A more recent study concluded that a decline in communication effects did not occur until frequency reached 10.¹⁵

Figure 10-12 The effects of frequency

1. One exposure to a target group within a purchase cycle has little or no effect.
2. Central goal is to enhance frequency versus reach since one exposure is ineffective.
3. Two exposures to a target group within a purchase cycle is an effective level.
4. Beyond three exposures within a purchase cycle, increasing frequency contributes to advertising effectiveness at a decreasing rate but with no evidence of decline.
5. General principles of frequency of exposure and its relationship to advertising effectiveness are as important as differential effects by brand.
6. Frequency response generalizations do not vary by medium.
7. Wear-out is a creative problem, not a function of too much frequency.

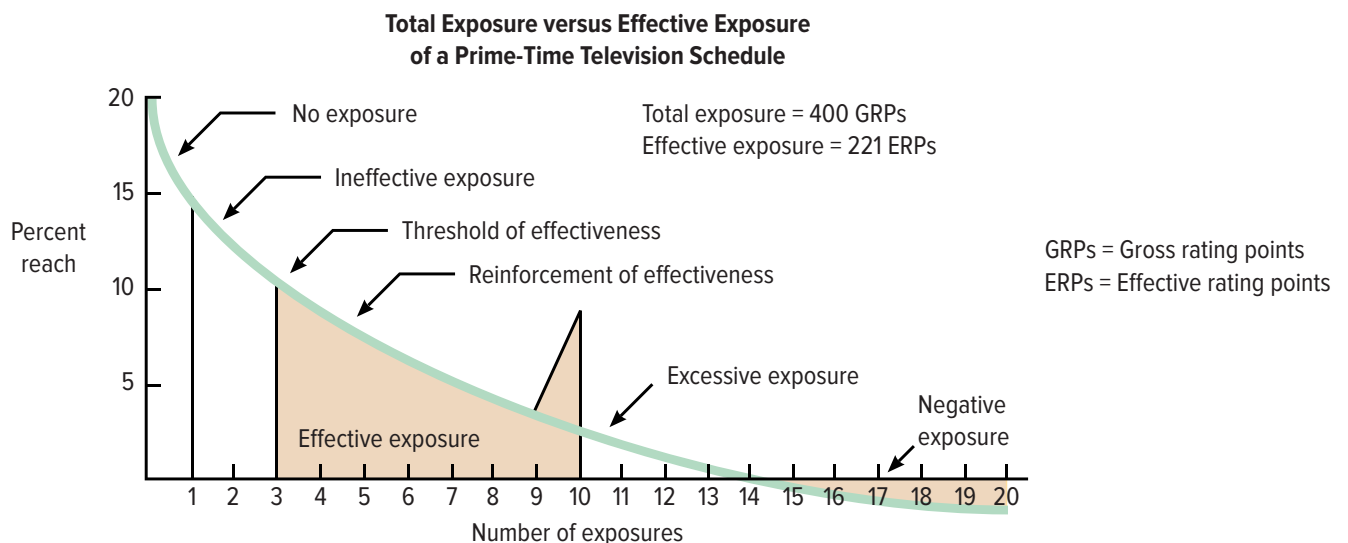
To understand this situation further, consider a media buy in which 50% of the audience is reached one time, 30% of the audience is reached five times, and 20% of the audience is reached 10 times. The frequency of this media buy is 4, which is slightly more than the number established as effective. Yet a full 50% of the audience receives only one exposure. Presumably a considerable portion of the money spent on advertising has been wasted because so many in the target audience were not exposed to the message.

Determining Effective Reach and Frequency

Since marketers have budget constraints, they decide whether to increase reach at the expense of frequency or increase the frequency of exposure but to a smaller audience. A number of factors influence this decision. For example, a new product or brand introduction will attempt to maximize reach, particularly unduplicated reach, to quickly create a high awareness level. At the same time, for a high-involvement product or one whose benefits are not obvious, a certain level of frequency is needed to achieve effective reach.

Effective reach represents the percentage of a vehicle's audience reached at each effective frequency increment. Effective reach is based on the assumption that one exposure to an ad may not be enough to convey the desired message. As shown earlier, no one knows the exact number of exposures necessary for an ad to make an impact, although advertisers have settled on three as the minimum. Effective reach (exposure) is shown in the shaded area in **Figure 10-13** in the range of three to 10 exposures. Fewer than three exposures is considered insufficient reach, while more than 10 is considered overexposure and thus ineffective reach. This exposure level is no guarantee of effective communication; different messages may require more or fewer exposures.

FIGURE 10-13 Graph of effective reach



Effective frequency represents the minimum number of exposures required to achieve communication effects. For example, there is generally a minimum number of exposures required to achieve a brand awareness communication effect for consumers in the target audience. Thus, instead of using frequency, the marketer decides what minimum frequency goal is needed to achieve the advertising objectives and then maximize reach at that frequency level.¹⁶ Media planners consider marketing factors, message factors, and media factors (See **Figure 10-14**) when determining effective frequency. While the application of effective frequency occurs in advertising, concern still remains with its use.¹⁷ In contrast, with the growth of more media outlets and enhanced syndicated data, effective frequency within and across combinations of media provides opportunity for more efficient and effective use of media expenditures.¹⁸

Figure 10-14 Factors important in determining frequency levels

Marketing Factors
<ul style="list-style-type: none"> • <i>Brand history.</i> New brands generally require higher frequency. • <i>Brand share.</i> The higher the brand share, the lower the frequency required. • <i>Brand loyalty.</i> The higher the loyalty, the lower the frequency required.

Marketing Factors

- *Purchase cycles.* Shorter purchasing cycles require higher frequency to attain awareness.
- *Usage cycle.* Products consumed frequently usually require a higher frequency.
- *Share of voice.* Higher frequency is required with many competitors.
- *Target audience.* The target group's ability to learn and retain messages affects frequency.

Message or Creative Factors

- *Message complexity.* The simpler the message, the less frequency required.
- *Message uniqueness.* The more unique the message, the lower the frequency required.
- *New versus continuing campaigns.* New campaigns require higher frequency.
- *Image versus product sell.* Image ads require higher frequency than product sell ads.
- *Message variation.* A single message requires less frequency; multiple messages require more.
- *Wear-out.* Higher frequency may lead to wear-out.
- *Advertising units.* Larger units of advertising require less frequency than smaller ones.

Media Factors

- *Clutter.* More frequency is needed to break through when a media has more advertising.
- *Editorial environment.* Less frequency is needed if the ad is consistent with the editorial environment.
- *Attentiveness.* Media vehicles with higher attention levels require less frequency.
- *Scheduling.* Continuous scheduling requires less frequency than does flighting or pulsing.
- *Number of media used.* Fewer media used requires lower frequency.
- *Repeat exposures.* Media that allow for more repeat exposures require less frequency.

Using Gross Ratings Points

A summary indicator that combines reach (duplicated) and frequency during an advertising cycle (e.g., one week, or four weeks) is known as a **gross ratings point (GRP)**. The GRP is represented by an equation:

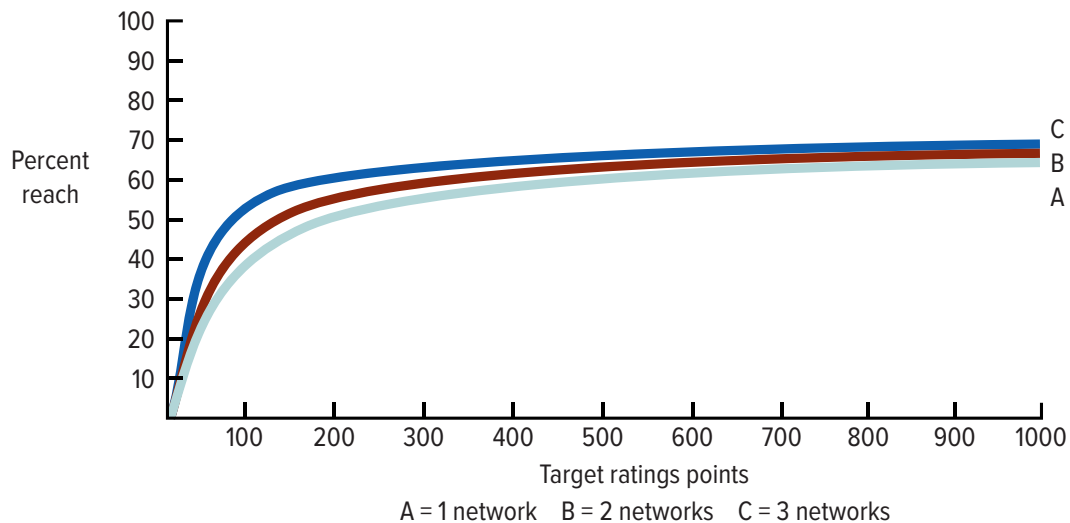
$$1 \text{ GRP} = \text{Reach of } 1\% \times \text{Frequency of } 1$$

Like both reach and frequency, GRP calculations are time dependent allowing decision-makers to plan, calculate, or purchase a GRP on a weekly or monthly basis. Returning to a TV placement example, if one ad is placed on a top Canadian show with 10% reach, then the company has purchased 10 GRPs. If the show is between 60 minutes and three hours (e.g., a sports game), then the number of GRPs could grow to 20 or 30 if the ad is run two or three times, respectively. Of course, this assumes the audience size has remained the same throughout the show.

Extensive amounts of audience data exist and, using computer applications, the planning and scheduling of GRPs is a relatively routine practice. However, most media planners rely on their experience and judgment to complement the quantitative side. GRPs are calculated for the total population aged 2+, adults 18+, adults 18–34, adults 18–49, or several other measured demographic groups.

Aggregating across multiple shows, media planners determine the number of GRPs required to achieve their communication objectives. For example, 120 GRPs might be needed in a given week if the planner wants a reach of 30% and a frequency of 4. In this example of 120 GRPs, a media planner would need to run ads on multiple shows and days to achieve these reach and frequency levels. Instead, the purchase of 120 GRPs could mean 60% of the audience is exposed twice, or 20% of the audience is exposed six times, or 40% of the audience is exposed three times, and so on. Thus, for a fixed level of GRPs, there is an inverse relationship between reach and frequency. To know how many GRPs are necessary, the manager chooses the effective frequency and the amount of effective reach necessary based on the communication and media objectives established from the situation analysis, marketing strategy, and IMC strategy.

The chart in **Figure 10-15** illustrates the trade-off between reach and frequency given a fixed number of GRPs. A purchase of 100 GRPs on one network yields a lower reach—just over 30% of the target audience, which translates into a frequency of about 3 ($100 = 33.3 \times 3$). The reach climbs to about 40% if two networks are used with a frequency of about 2.5 ($100 = 40 \times 2.5$). The reach then climbs to about 50% if three networks are used with a frequency of about 2 ($100 = 50 \times 2$). The increase in reach levels off as the incremental growth of adding more exposure does not affect very many new people in the target audience, and in fact the exposure growth begins to increase the amount of frequency as a greater number within the target audience see the ad more often. For example, at 600 GRPs the reach is 60% with a frequency of 10 ($600 = 60 \times 10$).

FIGURE 10-15 Estimates of reach for network GRPs

LO3 Media Tactics Decisions

After determining the initial media strategy, media planners address three media tactics decisions: media vehicle, relative cost estimates, and blocking chart.

MEDIA VEHICLE

Once the medium or media has been determined, media planners consider the most suitable media class and media vehicle. Certain media classes and media vehicles enhance the message because they create a mood that carries over to the communication. The mood is different on each class of TV channels such as sports, comedy, drama, or news. The mood created by magazines like *NUVO*, *Golf Canada*, *Canadian Gardening*, and *Style at Home* varies substantially. Each of these special-interest vehicles puts the reader in a particular mood and the promotion of clothing, golf equipment, gardening tools, and home products is affected.

The message may require a specific media and a certain media vehicle to achieve its objectives. Likewise, certain media and vehicles have images that may carry over to the perceptions of messages placed within them. The explanation of these considerations is the **vehicle source effect**, which is defined as the differential impact that the advertising exposure will have on the same audience member if the exposure occurs in one medium versus another.¹⁹ More recent research supported this view and also concluded that “better” advertising content positively influenced attitudes to the media vehicle, thus indicating a symbiotic relationship between advertiser and media vehicle.²⁰ A review of multiple studies investigating the effects of media vehicle on advertising recall and advertising recognition concluded that congruency of the media context and the ad contributed to stronger ad memory. Furthermore, media that involved audiences led to stronger ad memory as well.²¹

An extension of this idea is the development of media engagement, where the media experiences of specific vehicles are identified along the global dimensions: inspiration, trustworthy, life enhancing, social involvement, and personal timeout. The purpose of this investigation of the media experience is to find a specific link between the media vehicle and communication and behavioural effects.²²

Related to the idea of directing messages to customers or non-customers, one author recommends finding a fit between the brand users and the media vehicle selected. Through the use of survey and syndicated data, the researcher concluded that demographic matching of target audience and media vehicle is less effective versus a similarity of brand and media vehicle users in terms of values. The author suggests that finding media vehicles that brand users are experiencing is possible for most major media.²³

Once the media vehicle consideration is resolved, media planners consider other fine-tuning such as the location within a particular medium. In magazines, this could mean the inside front page versus the back page. For TV, it could mean the start or end of a commercial block. Online, the decision could focus on the size of the banner ad or the length of the pre-roll video ad.

IMC Perspective 10-2 identifies award-winning marketing communications where both media strategy and media tactics contributed to their success, along with innovation to push the media definition boundary.

IMC PERSPECTIVE 10-2

MEDIA AWARDS WITH A TWIST^c

The AToMiC awards celebrate the achievements of combined efforts in advertising (A), technology (T), media creativity (M), and content (C). Media, digital, or creative agencies enter their work for the competition presuming it is AToMiC—meaning the marketing communication is innovative by going against conventional thinking and uses elements in all four areas. Heinz and Little Caesars achieved notable recognition for their innovative use of media.

Heinz ketchup is a leader in its product category after 150 years in the market. Despite this strength, the iconic brand strives to keep top of mind awareness for all shoppers and maintain its strong brand affinity with its loyal customers. These goals are especially pertinent in the summer during barbeque season, in which Heinz implemented two clever media delivery approaches.



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After doing research, its agency gravitated to the age-old joke about the mismatch of the number of hot dogs in a package (10–12) versus the number of hot dog buns in a package (8) as inspiration for a campaign. The brand established The Heinz Hot Dog Pact to fix this uneven situation once and for all. A launch video outlined the issue and asked consumers to sign the pact on Change.org. Social media testimonials ensued from food and lifestyle influencers, as well as bun and hot dog brands. In due time, the pact became a top petition on the website by recording 1,000 respondents per day! Results estimated \$13 million in earned media, 1.2 billion earned impres-

sions, sales increase of 2.3%, and market share growth of 1%.

Heinz Ketchup's slow-pouring characteristic is often used by the brand to illustrate its thick, rich consistency, and this became inspiration for another summer campaign with an innovative use of media. In fact, rigorous tests ensure that the manufactured product pours at a rate of .045 km/hour! The brand partnered with navigation app Waze, and when a car travelled at the speed of Heinz Ketchup, the car on the app changed to a Heinz bottle. In addition, a voucher for a free ketchup and Burger King Whopper appeared in their in-box automatically. Paid advertising for the promotion occurred in all social media. In Canada's three largest cities, digital out-of-home media ran long-copy messages about the promotion during slow traffic and regular brand messages all other times.

Little Caesars became the Official Pizza of the NHL for the 2020–2021 season, and managers expected less exposure with no Canadian fans in the stands for its planned rink board ads. To address this problem, the brand concentrated on Wednesday night for their advertising and promotions and created Pizza Night Hockey. The campaign invited fans to sell the naming rights of the room where they watched hockey on TV at pizzanighthockey.ca. Once registered, consumers received exclusive deals for all remaining Wednesday nights. The idea expanded on social media, where fans renegotiated their contracts by offering naming rights for other aspects of their life, like their children! Later, every pizza included a seat number and registration code to score instant pizza and NHL prizes, with winners announced during and NHL broadcast. In the end, store and delivery sales increased substantially on Wednesdays, and social media activity grew considerably. And the US division adapted the successful Canadian plan.

Question

1. Which of these media executions appears to be the most innovative?

RELATIVE COST ESTIMATES

The value of a media strategy is determined by how well it delivers the message effectively to the audience with the lowest relative and/or absolute cost while trading-off partial or excessive coverage. Media planners strive for an optimal media plan by balancing the effectiveness of the creative message delivered and the media costs associated with each media strategy decision. Media planning is inherently a series of trade-offs among media strategy decisions such as reach versus frequency, or

geographic coverage versus scheduling, among others. Therefore, media planners estimate and compare costs to investigate these trade-offs in greater detail than what occurs during the media strategy decisions due to the introduction of media vehicles into the planning process.

Media Costs

Media costs for advertising are categorized in terms of absolute cost and relative cost. The **absolute cost** of the medium or vehicle is the actual total cost required to place the message. For example, magazines quote prices for advertising on a per-page basis. **Relative cost** refers to the relationship between the price paid for advertising time or space and the size of the audience delivered. Relative costs are important because the manager optimizes audience delivery within budget constraints.

Media planners evaluate the relative costs associated with a number of media alternatives that are available for message delivery. For example, the relative cost of reaching a member of the target audience in one magazine versus another is compared. This decision is influenced by the absolute cost of one magazine with cheaper back page price versus another magazine. From a digital perspective, media planners compare the relative cost of reaching a member of the target audience with one social media alternative (e.g., Facebook) versus another (e.g., Instagram). As the number of media alternatives rises, the number of comparisons grows considerably, potentially making this a tedious and difficult process. Media planners typically use cost per thousand and cost per ratings point to compare both media mix options or media vehicle options.

Cost per Thousand

Magazines and newspapers provide the absolute cost for the placement of a single ad. Comparisons based on **cost per thousand (CPM)** people reached are done by knowing the circulation of the publication. The formula for this calculation is as follows:

$$\text{CPM} = \frac{\text{Cost of ad space (absolute cost)}}{\text{Circulation}} \times 1,000$$

Figure 10-16 provides an example of this calculation for two vehicles directed at female readers in the same medium—*Canadian Living* and *Chatelaine*—and shows that *Chatelaine* is a more cost-efficient buy for a comparable full page ad. A media planner comparing these two magazines would require a compelling reason to place an ad in *Canadian Living* instead of *Chatelaine* since the latter's CPM is 35% higher. One reason is that there would be greater reach of 17%, but that may not sway the brand manager approving the decision. However, if the audience profile of *Canadian Living* is aligned with the brand's target audience, this reason and the circulation could impress the brand manager.

Figure 10-16 CPM calculations: *Canadian Living* versus *Chatelaine*

Table Head	Canadian Living	Chatelaine
Per-page cost	\$45,000	\$28,000
Circulation	162,000	136,000
CPM calculation	\$45,000/162	\$28,000/136
CPM	\$278	\$206

Some media, such as Internet display ads, quote their prices in terms of CPM. So if a display ad placement has a CPM of \$30, the media buyer would select the display ad over these magazine examples *if a low relative cost is deemed the only decision criterion*. However, virtually all media placement decisions involve multiple criteria beyond purely the lowest relative cost. In this case, the sizes of the ads are dramatically different. A media planner might also consider other factors beyond ad size as being relevant to sway the decision toward using magazines.

The cost per thousand may not be entirely accurate even though it provides a useful calculation to compare relative costs. Consider a situation where excessive coverage is inevitable because the circulation does not exactly match the target audience (i.e., excessive coverage). Using the above formula, the initial CPM calculation is inherently *lower* due to a higher circulation number that is composed of readers who are not potential buyers of the product. To address this limitation, media planners lower the circulation number based on the percentage who are actually in the target audience. Thus, media planners rely on **target CPM (TCPM)**, which is *higher* than the initial CPM calculation. The implication of CPM and TCPM is that media planners can decide which relative cost calculation to rely on to compare media options (e.g., A versus B). Initial CPM calculations identified option A over option B, but TCPM calculations could reverse the decision since option B offers better target audience coverage.

Consider another situation where additional coverage occurs from an alternative direction beyond circulation. For magazines, more than one person within the target audience may read an issue, and so magazines and media planners are interested in the **pass-along rate** by estimating the number of people who read a magazine title without buying it. Using the above formula, the initial CPM calculation is inherently *higher* due to a circulation number that is not composed of *readers* who are potential buyers of the product. To address this opportunity, media planners raise the circulation number based on the number of **readers per copy** to estimate a more accurate circulation. Thus, media planners rely on a readers per copy CPM, which is *lower* than the initial CPM calculation. The implication of CPM and readers per copy CPM is that media planners can decide which relative cost calculation to rely on to compare media options, as described above in the other scenario. The readers per copy CPM has the potential for a different type of inaccuracy since the actual number of times the magazine changes hands is difficult to determine, even with strong research methodology. Media planners remain selective in their use of this calculation and rely on their experience to estimate circulation adjustment.

A CPM is typically calculated for placing ads in digital media. Like any other media there is considerable variation from the lowest to the highest quoted price, and one Canadian resource estimated an average CPM of \$9 for Facebook ads.²⁴ This is noticeably lower than the CPM levels for the magazines cited above, and it raises the question of whether the quality of exposure for magazines is 20 to 30 times stronger than a Facebook ad. Media planners also consider adjustments, as done above for pass-along, assuming the number of people who share an ad link to those in their social network is reasonably estimated. In this case, it is the ad that is shared, while in the magazine example it is the content that is shared.

Cost per Rating Point

Broadcast media provide a different comparative cost figure, referred to as **cost per ratings point (CPRP)** or *cost per point (CPP)*, based on the following formula:

$$\text{CPRP} = \frac{\text{Cost of commercial time}}{\text{Program rating}}$$

An example of this calculation for a spot ad in a local TV market is shown in **Figure 10-17**. It indicates that Show A provides a lower cost than Show B or Show C based on the cost of exposing the message to 1% of the population. As noted above, other factors beyond the relative cost may sway the decision to Show B, such as a higher proportion of the audience being within the target audience or a better media vehicle source effect.

Figure 10-17 Comparison of cost per ratings point in a local TV market

Table Head	Show A	Show B	Show C
Cost per spot ad	\$6,000	\$20,000	\$40,000
Rating	3	5	4
Calculation	\$6,000/3	\$20,000/5	\$40,000/4
CPRP	\$2,000	\$4,000	\$10,000

As noted at the end of the cost per thousand section, media planners evaluate the relative costs of different media. Calculating or comparing the CPM for multiple media options is done routinely once fully understood, but it raises questions. How does a planner compare media options that are priced via CPM versus those priced via CPRP? Alternatively, what is the broadcast equivalent of cost per thousand? Using the data in **Figure 10-17**, a media planner divides the \$4,000 by the population in thousands to obtain a CPM of \$10 (\$4,000/400, assuming a population of 400,000). In short, TV costs can always be converted to a CPM since the population where the exposure occurs is known.

Relative cost comparisons of different media on a CPM basis is a useful step for media planners. For example, the CPM to deliver a message on a TV comedy show is compared to an ad placed in a funny video on YouTube. Or the CPM to deliver a message on a TV news program is compared to an ad in a news magazine or a newspaper. However, as a reminder, the relative cost to compare specific media is one of many variables used to evaluate media, as noted in **Figure 10-4**. Each media exhibits differing strengths and limitations in terms of its strategic use and how receivers experience the message. For example, TV provides both sight and sound, leading to significant cognitive and emotional responses. Thus, media planners use the cost per thousand numbers and trade off the qualitative factors and quantiative information of all mediums and each media vehicle in the decision.

BLOCKING CHART

The media planning process typically concludes with a **blocking chart** which summarizes the media-strategy and media-tactics decisions. It can also include extensive implementation details that guide media buyers to achieve the requested reach and frequency levels. A blocking chart example is shown in **Figure 10-18**. This is a comprehensive plan with numerous media and IMC programs scheduled each week over the course of three months.

FIGURE 10-18 This blocking chart example shows all media and IMC programs

	April				May				June			
	1	2	3	4	1	2	3	4	1	2	3	4
Broadcast												
Television												
Radio												
Out-of-Home												
Outdoor												
Location												
Sales Promotion												
In-store Display												
Contest												
Public Relations												
Press Media Kit												
Publicity Stunt												
Direct												
Postal Mail												
Digital												
Video Ad												
Display Ad												
Social												
Ad												
Posts												

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As noted, a blocking chart is typically formatted according to a calendar. While it is often done on a weekly basis, a firm with limited communications may organize it monthly. On the other hand, a firm with extensive communications may produce a blocking chart on a daily basis for all or critical parts of its annual media plan. For example, if a firm launches a new product, daily communications during the first few weeks is critical and specific media exposure is planned in minute detail.

A synopsis of the media choice decisions with respect to television, print, and out-of-home media is contained in the blocking chart. In this age of IMC, the blocking chart can also contain other IMC programs such as marketing events, public relations, or direct-response. In all likelihood, the blocking chart breaks these media choices down by different vehicles and different geographic markets.

Another key detail of the blocking chart is showing the relative weight of media expenditures. For example, it could illustrate the number of GRPs per week for each city. Related to this is a clear indication of the reach and frequency of each media decision.

Note that the blocking chart may be more than one chart. If a firm uses multiple media across many months and geographic markets, it may have one summary chart and other supporting charts that break the information down into more readable and action-oriented subsections.

Because the blocking chart concludes the media planning process, the media expenditures are presented either in summary form or accompanying the blocking chart. This information allows managers to assess the quality of the media plan and to identify any required adjustments for the planning time frame.

LO4 Budget Setting

This section begins with an overview of the budget setting process, provides insight into underlying theory with respect to budget setting, discusses how companies budget for promotional efforts, and summarizes the inherent strengths and weaknesses associated with these theoretical and managerial methods.

OVERVIEW

Establishing media and communication objectives is an important part of the media planning process; however, the degree to which these objectives are attained is a function of size of the media budget. No organization has an unlimited budget,

so objectives are set with a realistic budget in mind to achieve media and communication objectives. However, a longitudinal study with nearly 30 years of data concluded that advertisers consistently overspent in media advertising (e.g., TV, radio, newspaper, magazine, outdoor, Internet) and that the problem worsened over the most recent decade. The data indicated that TV performed the worst by a noticeable amount for just about every year.²⁵ All methods for determining the size of the budget are presented. Some are not recommended, since the disadvantages limit their effectiveness, but it is important to understand all the commonly used methods.

In a study of how managers make advertising and promotion budgeting decisions, researchers interviewed 21 managers in eight consumer-product firms and found that the budget-setting process is a perplexing issue and that institutional pressures led to a greater proportion of dollars being spent on sales promotions. The authors concluded with five budgeting prescriptions: (1) employ a comprehensive strategy to guide the process, (2) develop a strategic planning framework that employs an integrated marketing communications philosophy, (3) build in contingency plans, (4) focus on long-term objectives, and (5) consistently evaluate the effectiveness of programs.²⁶

Advertising agencies are involved in developing the messages for their clients, but curiously, they are not as involved with the managers of their client organizations when it comes to determining the budget.²⁷ The authors of this study identify factors inhibiting this opportunity: industry, organizational structure, politics, tradition, compensation system, trust, and length of relationship. They conclude that both agencies and clients could benefit from stronger partnerships on the budget amount. Clients would get a more complete recommendation from communication objectives to message and finally to media purchase, while agencies would better understand the client's business and the pressures faced.

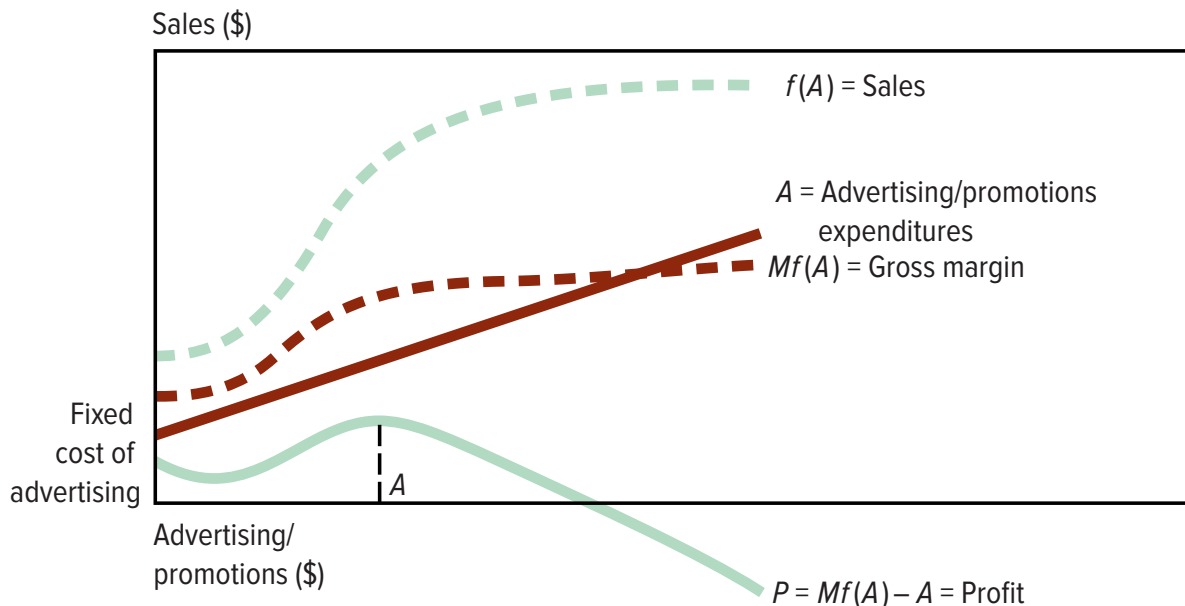
THEORETICAL BUDGET SETTING

Most of the methods used to establish advertising budgets are based on marginal analysis or sales response models. These methods are viewed as theoretical since academics have long debated the overall effects of advertising on sales, a topic that continually perplexes managers as well.

Marginal Analysis

Figure 10-19 graphically represents the concept of **marginal analysis**. As advertising/promotional expenditures increase, sales and gross margins also increase to a point, but then they level off. Since profits are a result of gross margin minus advertising expenditures, a marginal analysis theory suggests that a firm continues to spend advertising/promotional dollars as long as the marginal revenues created by these expenditures exceeded the incremental advertising/promotional costs. As shown on the graph, the optimal expenditure level is the point where marginal costs equal the marginal revenues they generate (point A). If the sum of the advertising/promotional expenditures exceeded the revenues they generated, one would conclude that the appropriations were too high and scale down the budget. If revenues were higher, a higher budget might be in order.

FIGURE 10-19 Marginal analysis



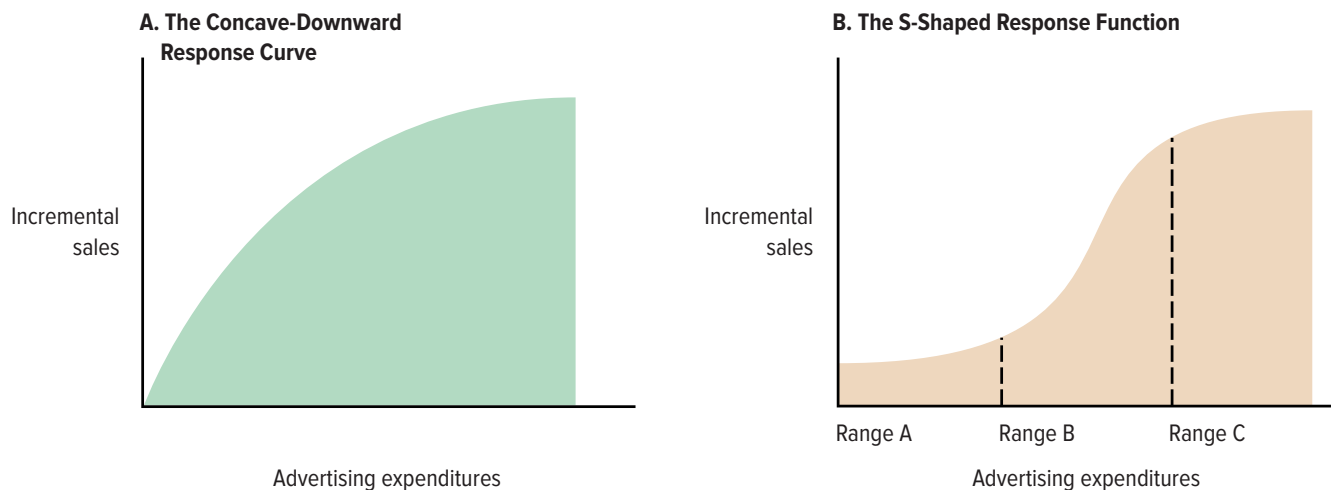
The logic of marginal analysis is weak due to two assumptions. The first is that sales are a direct result of advertising and promotional expenditures, and this effect can be measured. This assumption has been almost impossible to establish ever since the research began decades ago.²⁸ Furthermore, it is generally believed that sales result from the successful attainment of behavioural and communication objectives relevant for the target audience. The second is that advertising and promotion are solely responsible for sales. This assumption ignores the remaining elements of the marketing mix which do contribute to a company's success. Despite historic conclusions, a recent comprehensive investigation concluded that marginal analysis combined with situational experimentation, percentage of sales, and competitive parity methods exhibited an effective decision-making direction for determining the size of the advertising budget.²⁹

Sales Response Models

The sales curve in **Figure 10-19** shows sales levelling off even though advertising and promotion efforts continue to increase. The relationship between advertising and sales has been the topic of much research and discussion designed to determine the shape of the response curve. Almost all advertisers subscribe to one of two models of the advertising/sales response function: the concave-downward response curve or the S-shaped response function.

According to the **concave-downward response curve** (**Figure 10-20A**), the effects of advertising expenditures on sales quickly begin to diminish. Researchers concluded that the effects of advertising budgets follow the microeconomic law of diminishing returns.³⁰ That is, as the amount of advertising increases, its incremental value decreases. The logic is that those with the greatest potential to buy will likely act on the first (or earliest) exposures, while those less likely to buy are not likely to change as a result of the advertising. For those who may be potential buyers, each additional ad will supply little or no new information that will affect their decision.

FIGURE 10-20 Advertising sales/response functions



According to the **S-shaped response function** (**Figure 10-20B**), the effects of advertising expenditures on sales follow an S-shape. Initial outlays of the advertising budget have little impact (as indicated by the essentially flat sales curve in range A). After a certain budget level has been reached (the beginning of range B), advertising and promotional efforts begin to have an effect, as additional increments of expenditures result in increased sales. This incremental gain continues only to a point, however, because at the beginning of range C additional expenditures begin to return little or nothing in the way of sales. The logic is that advertising takes time before its effects (awareness, etc.) take hold.

Situational Factors

Even though marginal analysis and the sales response curves may not apply directly, they give managers insight into a theoretical basis of the budgeting process. Empirical evidence indicates that the models may have validity, however the advertising and sales effects may be reversed as the results do not actually demonstrate the advertising/sales relationship or vice versa. A weakness in attempting to use sales as a direct measure of response to advertising is the effect of situational factors.

Figure 10-21 identifies customer, market, product, and cost factors that increase (+) or decrease (-) the impact of the advertising budget on sales. For example, products characterized by emotional buying motives, hidden product qualities, and/or a strong basis for differentiation, advertising would have a noticeable impact on sales. Products characterized as large-dollar purchases and those in the maturity or decline stages of the product life cycle would be less likely to benefit. These factors are reasonable generalizations for the budget appropriation decision, but IMC strategy and brand factors are critical as well.

Figure 10-21 Situational factors influencing advertising budgets

Factor	Relationship of Advertising/ Sales	Factor	Relationship of Advertising/ Sales
Customer Factors		Product Factors	
Industrial products users	—	Basis for differentiation	+
Concentration of users	+	Hidden product qualities	+
Market Factors		Emotional buying motives	+
Stage of product life cycle		Durability	—
Introductory	+	Large dollar purchase	—
Growth	+	Purchase frequency	Curvilinear
Maturity	—	Strategy Factors	
Decline	—	Regional markets	—
Inelastic demand	+	Early stage of brand life cycle	+
Market share	—	High margins in channels	—
Competition		Long channels of distribution	+
Active	+	High prices	+
Concentrated	+	High quality	+
Pioneer in market	—	Cost Factors	
		High profit margins	+

Note: + relationship indicates a positive effect of advertising on sales; — relationship indicates little or no effect of advertising on sales.

MANAGERIAL BUDGET SETTING

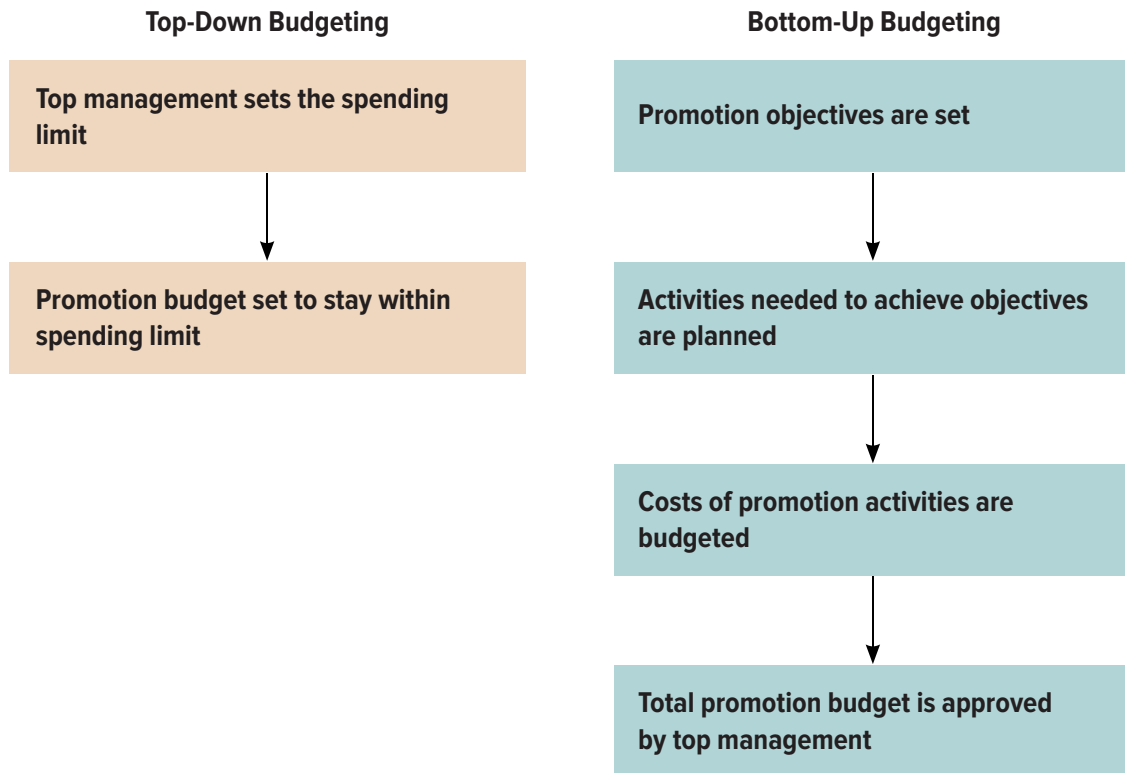
This section reviews practical methods for setting budgets and their relative advantages and disadvantages. A few methods are included, since firms adopt more than one and methods vary by the size and sophistication of the firm, as noted in the usage statistics forthcoming.³¹ One method is **top-down budgeting** because an amount is established at an executive level and then the funds are passed down to the departments (as shown in **Figure 10-22**). Top-down methods include affordable, arbitrary, percentage of sales, competitive parity, and return on budget investment. A flaw of these methods is that the budget is not linked to the objectives and strategies designed to accomplish them. A more effective method considers the firm's communication objectives and then budgets for the necessary promotional mix strategies to attain these goals. This is known as **bottom-up budgeting** and include two methods: the objective and task and payout planning.

Affordable

For **affordable**, the firm determines the amount spent for production and operations (and so on), and then allocates the remainder to advertising and promotion. The task performed by advertising/promotions is not considered, and the likelihood of under- or overspending is high, as no guidelines for measuring the effects of budgets are established. In terms of the S-shaped sales response model, the firm is operating in range A. Or the firm may be spending more than necessary, operating in range C. When the market gets tough and sales and/or profits begin to fall, this method can lead to budget cuts at a time when the budget could be increased to regain sales. This method is found in small firms due to cash flow concerns and non-market-driven large firms and is used 27% of the time.

Arbitrary

For **arbitrary**, management determines the budget based on what they believe is necessary. The arbitrary method has no obvious advantages beyond simplicity. The obvious limitation is a lack of planning with no strategic and systematic thinking to set

FIGURE 10-22 Top-down and bottom-up methods to budget setting

objectives and determine the required media cost. There is no good explanation why this method is used, yet 11% of budgets are set this way despite it being not recommended.

Percentage of Sales

For **percentage of sales**, management bases the advertising and promotions budget on past product sales, which is used about 10% of the time. Management determines the amount by either (1) taking a percentage of the sales dollars or (2) assigning a fixed amount of the unit product cost to promotion and multiplying this amount by the number of units sold. A variation of basing the budget on current sales is to use a percentage of projected future sales. One advantage of this modification is that managers factor in the effects of current market changes on sales into next year's forecast, leading to a more accurate budget. While this remedies the method's limitations, problems with forecasting, cyclical growth, and uncontrollable factors limit its effectiveness.

The percentage-of-sales method offers three advantages. First, percentage of sales is simple to calculate and easy to implement. Second, it is financially safe and keeps ad spending within limits based on a reasonable expectation of sales. Third, this budgeting method is generally stable as long as increases and decreases in sales are not drastic.

Despite this appeal, percentage of sales has four disadvantages. The first involves the premise on which the budget is established. Letting the level of sales determine the amount of advertising and promotions dollars spent reverses the cause-and-effect relationship between advertising and sales. It treats advertising as an expense associated with making a sale, rather than as an investment.

A second problem is the stability advantage cited earlier, seen from a different view. Stability occurs in the market if all firms use a similar percentage, but what happens if a competitor deviates from this standard percentage? The problem is that this method does not encourage change in the budgeting strategy either internally or from competitors.

Third, this method may result in severe misappropriation of funds, assuming the S-shaped curve mentioned earlier is accurate. Products with low sales (e.g., new products) receive smaller promotional budgets that impede its sales growth. Products with high sales (e.g., established products) receive excessive budgets beyond what is required to maintain the brand.

Finally, decreases in sales lead to future decreases in budgets, when an increase in budget may be necessary. Continuing to cut the advertising and promotion budgets heightens the downward sales trend.

Competitive Parity

For **competitive parity**, managers establish budget amounts by matching the competition's percentage-of-sales expenditures with the expectation that it leads to market stability by minimizing advertising expenditure battles. If companies know that competitors are unlikely to match their increases in promotional spending, they are less likely to take an aggressive posture to attempt to gain market share. Firms' having similar advertising expenditures resulting from a competitive analysis occurs 3% of the time. Competitors' advertising expenditures are available from market research firms, trade associations, advertising industry periodicals, and media tracking firms. Competitive parity is also expressed with the idea that share of voice equals share of market. Considerable academic research investigating this point concluded that share of voice is an optimal direction for most brand budget decisions. However, in various markets, countries, and media situations, brands that increased their share of voice ad spending did not necessarily increase their share of market.³²

The competitive parity method has disadvantages. First, it ignores the fact that advertising and promotions are designed to accomplish specific objectives by addressing certain problems and opportunities. Second, it assumes their programs will be equally effective, which ignores the success of creative executions, media allocations, or promotion. Third, it ignores advantages of the firm itself—some companies simply make better products than others. A study concluded that a competitive parity strategy must consider the fact that a competitor's advertising can actually benefit one's own firm, and that one competitor's gain is not always the other's loss.³³ Fourth, there is no guarantee that competitors will continue to pursue their existing strategies. Since competitive parity figures are determined by examining competitors' previous years' promotional expenditures, changes in market emphasis or spending may not be recognized until the competition has already established an advantage.

Return on Budget Investment

For **return on budget investment**, management views advertising and promotions as an investment, like plant and equipment. This is consistent with the "advertising causes sales" point in the marginal analysis and S-shaped curve methods; incremental investments in advertising and promotions lead to increases in sales. The key word here is *investment*, as this method is seen 12% of the time. The budgetary appropriation (investment) leads to certain returns; thus advertising and promotion are expected to earn a certain return. While this method appears reasonable, it is a challenge to assess the returns provided by the promotional effort when sales are used as a measure of effectiveness. Thus, while managers are certain to ask how much return they are getting for such expenditures, the question remains elusive.

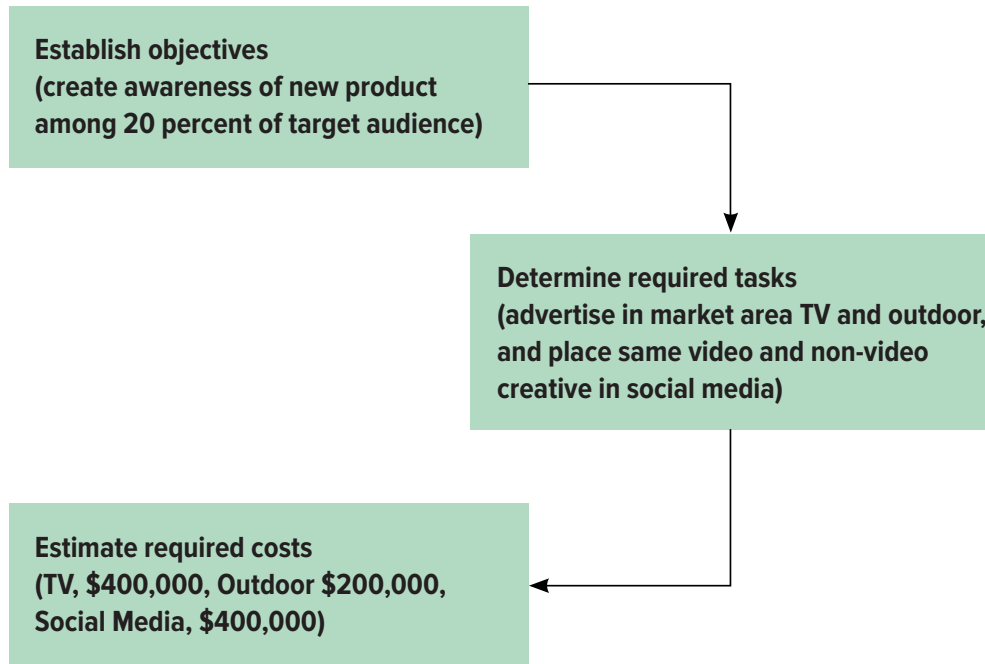
Objective and Task

For **objective and task**, promotional planners set the budget based on the attainment of objectives. If done optimally, it is a method in which objective setting and budgeting occur simultaneously rather than sequentially. It is difficult to establish a budget without specific objectives, and setting objectives without regard to how much money is available makes no sense. The method includes three steps: (1) establishing the communications objectives, (2) determining the required strategies and tasks needed to attain the objectives, and (3) estimating the required costs associated with performance of these strategies and tasks (**Figure 10-23**). This method is used 26% of the time.

1. *Establish objectives.* The firm determines comprehensive and thorough communication objectives that are specific, measurable, attainable, realistic, and time limited and are based on the established marketing objectives.
2. *Determine required tasks.* The IMC plan presents programs designed to attain the objectives. These tasks may include advertising in media, sales promotions, or other elements of the promotional mix.
3. *Estimate required costs.* Buildup budgeting determines the estimated costs associated with the required tasks. For example, it involves calculating media costs based on placement expenses and exposure levels to achieve awareness.

As shown in **Chapter 9** on measuring effectiveness, there are ways to determine how well one is attaining established objectives. Performance is monitored and evaluated based on the budget. Money may be better spent on new goals once specific objectives have been attained. For example, if one has achieved the level of consumer awareness sought, the budget could be altered to stress a higher-order objective such as evaluation or trial. As this suggests, the major advantage of the objective and task method is that the budget is driven by the objectives. The managers closest to the marketing effort will have specific strategies and input into the budget-setting process.

The major disadvantage of this method is the difficulty of determining which tasks will be required and the costs associated with each. For example, specifically what tasks are needed to attain awareness among 50% of the target audience? How much will it cost to perform these tasks? While these decisions are easier to determine for certain objectives—for example, estimating the costs of sampling required to stimulate trial in a defined market area—it is not always possible to know exactly what is required and/or how much it will cost to complete the job. This process is easier if there is past experience to use as a guide, with either the existing product or a similar one in the same product category. For this situation, payout planning is offered as an alternative bottom-up method.

FIGURE 10-23 Objective and task method

Payout Planning

For **payout plan**, management determines the budget based on projected profitability over time. This method is useful for a new product introduction or a significant change in the IMC plan, such as brand repositioning strategy. A three-year payout plan is shown in **Figure 10-24**. The first year shows heavier-than-normal advertising and promotion expenditures to stimulate higher levels of awareness and subsequent trial. Promotion expenditures are strong but drop off during years 2 and 3 to maintain communication effects. Different expenditure and revenue calculations provide various “what-if” scenarios before concluding upon an optimal projection. As the figure shows, over time, the brand loses money in year 1, almost breaks even in year 2, and finally shows substantial profits by the end of year 3. When used in conjunction with the objective and task method, payout planning provides a logical method to budget setting but is seen infrequently, at 3% of the time.

Figure 10-24 Example of three-year payout plan (\$ millions)

	Year 1	Year 2	Year 3
Product sales	15.0	35.50	60.75
Profit contribution (@ \$0.50/case)	7.5	17.75	30.38
Advertising/promotions	15.0	10.50	8.50
Profit (loss)	(7.5)	7.25	21.88
Cumulative profit (loss)	(7.5)	(0.25)	21.63

LO5 IMC Planning: Budget Allocation

Once the overall promotion budget is determined, the next step is to allocate it. The advertising media budget is allocated to broadcast, print, out-of-home, and Internet media, as suggested in the media plan. **Figure 10-25** summarizes examples of how award-winning advertisers allocated their advertising budget across different media.³⁴ In each case, these campaigns primarily used paid advertising to communicate their message, and the brands obtained positive communication and financial results indicating a good allocation across media.

Figure 10-25 Summary of examples of target and media choices

Brand	Target	Media
Goldfish Crackers	Switchers—Playful Snack	OOH, Video in social media, Video Game, Storybook
IKEA	Loyal—Sleep Experts	Audio—Spotify, Digital Display, Internet home page takeover

Beyond advertising, firms use a variety of IMC programs (sales promotion, public relations, Internet, and direct marketing) for delivering messages and experiences to their target audiences. Careful consideration of the budget allocation across the tools is a central task for IMC planning to achieve the communication and behavioural objectives. Budweiser's Red Light IMC plan, which occurred over four years, represents an IMC program that allocated its undisclosed budget effectively, given the number of awards received in Canada. It is summarized in **Figure 10-26** and shows that the plan involved five IMC tools. The results indicated that Budweiser improved its association with hockey, strengthened its brand affinity, earned social media impressions versus its main competitor Molson Canadian, and attained a number one market share. All of this suggests a good allocation of the budget across the unique IMC tools.

Figure 10-26 Summary of Budweiser's Red Light IMC plan

Sales Promotion	Red Light Premium (pay)	Red Light Glass Premium (free)	Christmas Light Premium (pay)
Event	Zeppelin	Puck Manufacturer	25 Foot Goal Light
Sponsorship	HNIC	TVA, RDS	Sportsnet
Social Media	Facebook	Instagram	Twitter
Advertising	Television	Out-of-home	Cinema
Digital	Google Preferred	YouTube	Seeding video

Source: Cassies.ca

Learning Objectives Summary

LO1

Illustrate how a media plan is developed.

Media planning involves delivering the marketing communications message through different media channels. Media planning is required for advertising to deliver the creative strategy but also for any other IMC program. For example, sales promotion offers are communicated on radio; charity events that brands sponsor are found in a city newspaper; or transit ads direct commuters to a firm's website.

A media plan is generally the end result of the media planning process, and it contains sections for objectives, strategy decisions, and tactical decisions. The media plan's objectives are designed to support the overall marketing objectives and achieve the behavioural and communication objectives determined for each target audience. One task of a media strategy is to match the media to the target audience, given the constraints of the budget. Media planners balance reach and frequency to deliver the message to the intended audience with a minimum of waste coverage.

LO2

Identify the decisions for implementing a media strategy.

This chapter discussed five media strategy decisions, including developing a media mix, determining target audience coverage, determining geographic coverage, scheduling, and balancing reach and frequency. The chapter provided a consistent set of criteria to evaluate all media alternatives. **Figure 10-4** listed 16 criteria in which each media is assessed in terms of their relative strengths and limitations compared to all other media. The list provides a starting point for media planners who select the right combination of media based on the communication problem or opportunity. Application of these criteria is adapted in each of the forthcoming media chapters with an identical figure.

LO3 Identify the decisions and process for implementing media tactics.

The chapter also looked at tactical decisions that fine-tune the media strategy. The media vehicle plays a key part in the media plan as the media planner matches the viewers, listeners, and readers of the media and the profile of the target audience. Relative cost estimates guide the media planner's final decisions for vehicle selection by finding the most cost-efficient placement. Fine-tuning of scheduling details is finalized with the realization of a blocking chart that summarizes all media decisions and costs across relevant time periods and geographic locations.

LO4 Distinguish among the theoretical and managerial methods for media budget setting.

This chapter summarized theoretical and managerial methods for budget setting. Theoretical methods feature economic models (i.e., marginal analysis, sales response) that demonstrate the effects of advertising on sales, often without accounting for the effects of other marketing mix variables. Top-down managerial methods include affordable, arbitrary allocation, percentage of sales, competitive parity, and return on budget investment. The methods are viewed as lacking a theoretical basis while ignoring the role of advertising and promotion in the marketing mix.

Bottom-up managerial methods include objective and task and payout planning. In particular, the objective and task method connects the cost of advertising and promotion to the communication and behavioural objectives expected for the communication program, as opposed to broader marketing objectives expected for the marketing program. While the objective and task method offers an improvement over the top-down approaches, firms continue to use a combination of methods to make the budget decision.

LO5 Apply the methods for allocating the media budget to relevant IMC programs and market situations.

Once the overall budget is determined, it is allocated to the individual media for advertising and other IMC program requiring media expenditures. The money is allocated to certain geographic markets depending on the level of the brand's current market share. Sometimes markets are developed requiring a boost in expenditures, while other times markets are in a profit mode and less investment is forthcoming.

Review Questions

1. Explain why media planning involves a trade-off between reach and frequency.
2. Describe what is meant by *excessive coverage*. The decision must often be made between excessive coverage and partial coverage. Give examples of when the marketer might have to choose between the two, and when it may be acceptable to live with excessive coverage.
3. What is meant by *readers per copy*? How is this different from CPM? Explain the advantages and disadvantages associated with the use of both.
4. Identify the information resources required to calculate the budget using the objective and task method.
5. What factors influence the budget allocation to different media or different IMC tools?

Applied Questions

1. One long-time advertising agency executive noted that media planning is both an art and a science, with a leaning toward art. Explain what this means and provide examples.
2. Visit the websites for two magazines of the same genre and locate their media kits. Compare how each magazine persuades advertisers to select its media vehicle in terms of editorial content, readership information, customized services for advertising placements, and any other unique features.
3. Calculate the CPM for five or six different media vehicles that are interesting or topical.
4. Assume that a new entry-level car brand wants to achieve 30% awareness among graduated students aged 21–24. Calculate how much would have to be in the budget to achieve this objective.
5. For an up-and-coming brand of fashionable jeans, a rebranded local night club for dancing, and an established energy drink, identify the most appropriate media budget allocation (in percentages) to create awareness. Do the same for all three brands with respect to IMC tools.

CHAPTER ELEVEN

Broadcast Media



Vince Talotta/Toronto Star via Getty Image

LEARNING OBJECTIVES

- LO1** Describe television media regarding its delivery, types of TV advertising, time periods and programs, audience measurement, and streaming.
- LO2** Summarize the strengths and limitations of television as an advertising medium.
- LO3** Describe the types of radio advertising, time periods, and audience measurement.
- LO4** Summarize the strengths and limitations of radio as an advertising medium.
- LO5** Apply the media knowledge of TV and radio for strategic IMC decisions.

Partnering with Rogers Sports & Media^A

Advertisers execute all sorts of promotional activities on TV with Rogers Sports & Media (RSM), such that *Strategy* recognized RSM as media partner of the year recently. Notable brands that received excellent exposure through RSM include President's Choice (PC), Budweiser, Scotiabank, Movember, Secret, and *Hockey Night in Canada*. The motivation for RSM to execute such promotional activities is rooted in the gradual decline of TV advertising revenue compared to paid social media, the significant contractual costs for high-priced programming like NHL broadcasts, the slowdown of subscribers to Sportsnet channels, the growth of viewers to alternatives to TV programming, and increased competition of sports advertising revenue.

PC's Home for the Holidays presented a 30-minute Christmas special with sports and entertainment stars to represent the holiday season and highlight the PC Holiday Collection. All the specially produced ad breaks for the program featured PC products. Results included a 12% growth in PC purchase intention and brand favourability, and a 57% increase in viewing Loblaw's as a holiday shopping destination. Budweiser's Stage at Home presented eight live concerts over consecutive Saturday nights during the summer on RSM. The beer brand's purchase intention and brand favourability doubled with this TV exposure.

Scotiabank's Operation Support Local promoted its small business clients across many RSM media properties beyond TV to ensure continued sales within local communities. Scotiabank saw significant improvement in key communication measures, such as consideration, favourability, and business support. The Mental Game for Movember communicated the importance of mental

health through the power of sport. The exposure presented content over five weeks and wrapped up with a 30-minute special. Across all the episodes, athletes spoke of their personal self-care techniques. The campaign reached just over half of all men aged 18–34 with positive attitudinal responses for the brand.

Secret's Dream Gap Tour showcased women's professional hockey with games that featured all-female TV personalities. The broadcasts included considerable promotional support and editorial content that told the stories of the players. From this sponsorship, Secret achieved noticeable purchase intention and favourability scores. Continuing with hockey, Molson's *Hockey Night in Canada—Multilingual Edition* brought the game to more Canadians in their primary language. The broadcast expanded to seven languages based on those most spoken in Canadian NHL markets. As seen with other brands, Molson received positive growth for intentions and favourability.

In conclusion, from a financial standpoint, the promotional activities of these brands transitioned to growth in advertising revenue, as RSM's parent company, Rogers, reported stronger profits from sports advertising revenue.

Question

1. What is your impression of brands using this form of TV sponsorship and advertising with branded editorial content?

Televisions are in virtually every Canadian household, and the large number of television program viewers are important to TV networks because they sell time on their programs to marketers who want to reach that audience with their advertising messages. Moreover, the qualities that make TV a great medium for information and entertainment also encourage creative ads to influence current and potential customers. Radio is also an integral part of people's lives as it is a constant companion in their cars, at home, and even at work for information and entertainment. Like TV viewers, radio listeners are an important audience for marketers to reach with their advertising messages.

This chapter describes both broadcast mediums in two parts with a similar structure. First, the chapter describes the types of TV and radio media that advertisers select within the media strategy, how advertisers buy TV and radio time, and how audiences are measured and evaluated. It then summarizes the specific strengths and limitations for each media. The IMC planning section explains how advertisers use TV and radio as part of their advertising and media strategies.

LO1 Television

Despite many non-advertising-supported video program options, TV ad revenue remained relatively strong at \$3.07 billion in 2021. This amount of money indicates the practical advantage for brands to reach audiences with advertising-supported

video programs on TV. Academic research concluded that TV advertising results in positive short-term and long-term brand effects.¹ The effectiveness of TV advertising improved over recent decades, although not every TV campaign is successful.² The measurement of TV effectiveness is expected to evolve with multi-screen digital media.³ In fact, advanced research of a sample of a chocolate bar brand's non-users and light users found a causal relationship between a TV exposure and increased purchases.⁴ This section reviews TV as an advertising media regarding the delivery of TV services, the types of TV advertising, the time periods and program formats, the measures of TV audiences, the implications of viewers watching streaming services, and the regulation of TV from the Canadian Radio-television and Telecommunications Commission.

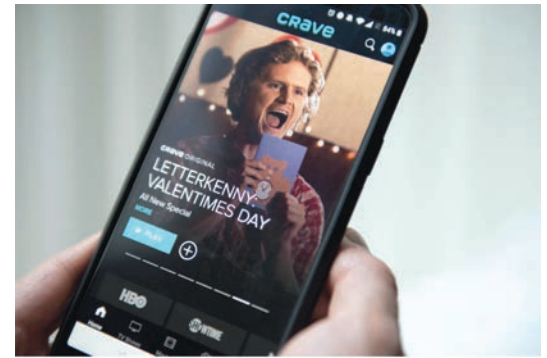
DELIVERY OF TV SERVICES

Canadians currently receive TV services at home in more ways than ever, as shown in **Figure 11-1**. The antenna provided initial TV reception through analogue airwaves, however reception is now received by digital airwaves and this delivery route hit 7% recently. **Cable television** represented a significant development decades ago by delivering TV services through coaxial wire to provide access for remote areas that could not receive broadcast signals, and to distribute American channels more easily and widely. While still leading at 32%, its distribution waned with other delivery methods. **Direct broadcast satellite (DBS)** emerged as firms sent TV service from a satellite to homes equipped with a dish and receiver, and its distribution now stands at 17%. Fibre optic digital TV service (Internet protocol television, referred to as **IPTV**) hit 19% and is distributed by cable operators and telecommunication firms via the Internet. And finally, Canadians receive "TV service" from the Internet directly; this is identified as TV My Way by Media Technology Monitor.

The implication of this data is that conventional TV ads reach 75% of Canadians when watching TV at home; 68% who pay for a TV service via the three distribution methods; and 7% who use an antenna. Those watching TV content online or who are tuned out are exposed to conventional TV ads when away from home and viewing in public (e.g., at a bar) or in private (e.g., when visiting family or friends). TV My Way viewers receive Internet ad messages when watching online programs that may be identical to those shown on TV, or no ads if they are watching a streaming service like Netflix.

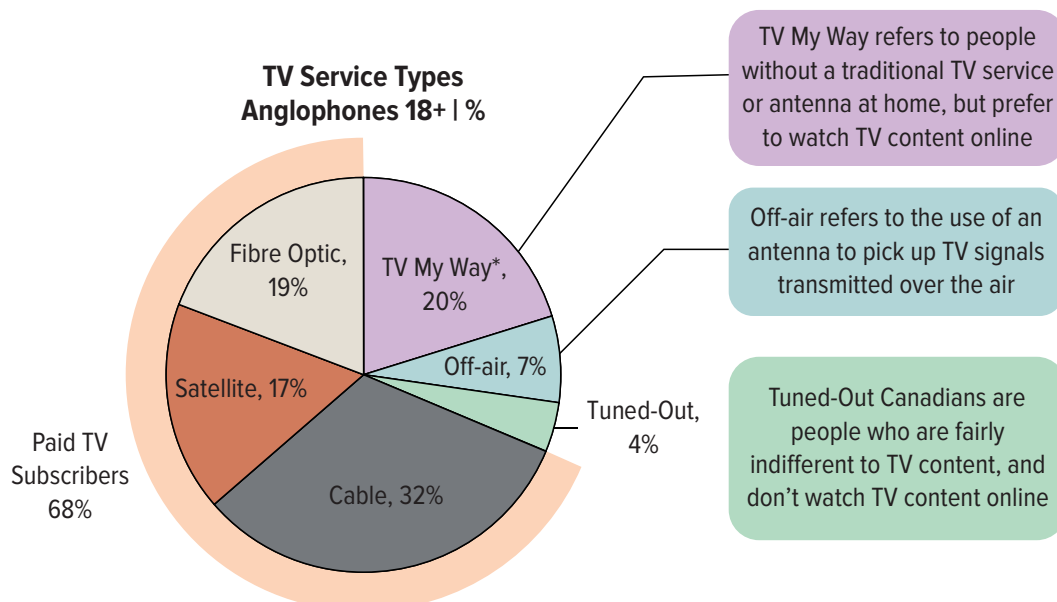
To review, TV service subscribers (cable, satellite, IPTV) pay a monthly fee to receive an assortment of channels, including local Canadian and American network affiliates, independent stations, and specialty networks. Other program options that show TV ads are available to viewers and include specialty channels (such as news, music, sports, weather, education, lifestyle, and culture) which broaden advertisers' opportunity to reach viewers. Service providers also offer programming not

EXHIBIT 11-1 Crave is an SOVD service.



©Graeme Roy/CP Images

FIGURE 11-1 How Canadians receive TV services



Source: Media Technology Monitor (MTM)

supported by advertising, like Crave, to those who pay an additional fee. A service like Crave is also sold without buying a paid TV service and is delivered via the Internet similar to independent services, like Netflix, albeit with different content selection (**Exhibit 11-1**). These options are referred to as *subscription video on demand (SVOD)* and there are many new ones available every year, with specialization emerging in areas such as sports. Developments of SVOD are reviewed in a later section after describing conventional television advertising.

TYPES OF TV ADVERTISING

A decision for TV advertisers is how to allocate their media budget to network or local announcements, also known as spot advertising. National advertisers use network schedules to provide complete coverage across the country and supplement this with regional or local purchases to reach markets where additional coverage is desired. Specialty networks offer additional exposure for niche channels; these types of networks show their programming online, giving advertisers another route for exposure. Beyond placing commercials, advertisers do sponsorship advertising periodically. In addition, advertisers communicating without running a commercial use product placement within the shows.

National Networks

Advertisers disseminate their messages by purchasing airtime from a **television network**. Canada's television industry features six national networks. The Canadian Broadcasting Corporation (CBC) is a Crown corporation of the federal government of Canada, and its network reaches virtually all English-language homes. Radio-Canada is the CBC cousin for the French-language network, reaching viewers in Quebec and other Canadian provinces and territories. The Canadian Television Network (CTV) and Global both operate as a national English-language service in most Canadian provinces. City is a semi-national network in more populated cities in larger provinces of Canada. Finally, TVA, a private French-language network, broadcasts to most Quebec households and French-speaking viewers throughout Canada. Regional commercial networks also dot the Canadian landscape, as do provincial networks that do not accept advertising. **Figure 11-2** summarizes viewing statistics of conventional TV for major Canadian networks during the fall of 2021 in Vancouver, Calgary, Edmonton, Toronto, Montreal (Radio Canada, TVA). To illustrate, CTV reached almost 11 million people in four cities who watched a total of nearly 30 million hours for an average of 2.8 hours per week.

Figure 11-2 Weekly hours watched, network TV, fall 2021

Network	Hours (millions)	Reach (millions)	Average Hours
City	10.094	4.649	2.2
CBC	8.569	4.697	1.8
CTV	29.711	10.755	2.8
Global	31.565	9.375	3.4
Radio Canada	14.151	2.759	5.1
TVA	20.103	2.938	3.4

Data computed from TV Basics 2022 p. 21-22, ThinkTV

A network assembles a series of affiliated local TV stations throughout the country or region, known as **affiliates**, to which it supplies programming and services. There are 119 conventional stations in Canada.⁵ These affiliates contractually agree to use programming provided by the networks and to carry the national advertising within the program. The networks share the advertising revenue they receive during these time periods with the affiliates. The affiliates also sell commercial time in non-network periods and during station breaks in the pre-empted periods to both national and local advertisers.

When an advertiser purchases airtime from a national or regional network, the commercial is transmitted through the affiliate station network. Network advertising truly represents a mass medium, since the advertiser broadcasts its message simultaneously through many affiliates. Advertisers interested in reaching many consumers generally buy time from large networks (e.g., CTV) during the evening prime viewing hours when popular programs are aired. Availability of time can be limited as advertisers compete to obtain network advertising. Traditionally, most prime-time commercial spots, particularly on the programs with a sizable viewership, are sold during the buying period in May/June/July that occurs before the TV season begins. Advertisers planning to use prime-time network advertising plan their media schedules and purchase TV time as much as a year in advance. Demands from large clients who are heavy TV advertisers force the biggest agencies to participate in the upfront market. However, TV time is also purchased throughout the TV season. Network TV is purchased on a regional basis, so an advertiser's message can be aired in certain sections of the country with one media purchase.

A network attracts viewers with its programming and acquires the rights to broadcast a particular show from the original production company or the organization responsible for a sport. For example, Rogers Media signed a broadcasting deal worth \$5.2 billion over 12 years with the NHL that started in the 2014–2015 season. The deal included the Canadian broadcast and multimedia rights to NHL games in all languages and sub-licensing to the CBC and to TVA for French broadcasting. To make the deal work financially, Rogers Media undertook research to understand how Canadians consume hockey. It needed to attract new viewers who had not watched hockey in the past, such as new Canadians and younger Canadians; both of these groups watched other sports, or other programs, or consumed media content elsewhere. For younger Canadians on a second screen while the game aired, the media brand wanted to get a better read on how to link the game experience with social media activity. In addition, Rogers Media needed to ensure that loyal hockey viewers would transition to the new broadcaster and watch hockey on more nights, or watch two games a night more often since the availability increased.⁶

From the actions of TV networks, it appears they do not envision the end of TV either. All major networks are entrenched in the market and owned by major telecommunications firms. Their annual visits to Los Angeles continue with increased intensity as they bid for shows that will attract advertisers. Canadian network TV executives outmaneuver and outbid one another for the top shows as the funnel of good-quality production continues across all the major American producers. A recent trend is that executives look for shows that fit network TV viewer behaviour to enhance the brand building opportunity for advertisers.⁷

Spot advertising refers to commercials shown on local TV stations, with time negotiated and purchased directly from the individual stations or their national station representatives. Spot advertising offers the national advertiser flexibility in adjusting to local market conditions but concentrating messages in areas where market potential is greatest. This ad format is appealing to advertisers with uneven product distribution, limited advertising budgets, test marketing situations, or product introductions in limited markets. National advertisers also use spot advertising through local retailers as part of their cooperative advertising programs and to provide local dealer support. This attractive option is most prevalent in Canada, with about 60% of all TV ads.

Specialty Networks

Canada has an extensive variety of specialty networks and digital specialty networks that advertisers run commercials on to reach specific target audiences. The proliferation of channels influenced the nature of television as an advertising medium since the expanded viewing options led to considerable audience fragmentation. Specialty networks attracted about 50% of the viewing audience, and much of this audience growth came from national and regional networks. Note that a good number of these specialty networks are digital only, meaning a viewer requires a subscription service for access. Specialty networks became very popular among consumers, leading advertisers to re-evaluate their media plans and the prices paid for network and affiliate station exposure. Advertising revenue on specialty networks hit \$1,140 million in 2021 compared to conventional television ad revenue of \$1,769 million.

These advertising revenue figures indicate that advertisers use specialty networks to efficiently reach specific target audiences. Advertising rates on specialty networks are lower than those for the shows on the major networks. This makes TV a viable media option for smaller advertisers with limited budgets and those interested in presenting their commercials to a well defined target audience. Also, specialty network advertisers generally do not have to make the large upfront financial commitments the networks require. In addition to costing less, specialty networks give advertisers flexibility in the types of commercials that are possible. While most network commercials are 30- or 15-second spots, commercials on specialty networks can be longer (e.g., 3 to 30 minutes in length). Finally, specialty network advertising is purchased on a national or a regional basis. Large marketers advertising on specialty networks reach large numbers of viewers across the country with a single media buy. Regional advertising on specialty networks is available but limited.

Figure 11-3 shows Numeris data of the top 11 out of about 50 highly viewed English specialty networks that attracted at least 1 million viewers per week for fall 2021. The typical viewer watched TSN an average of 2.8 hours per week and the station reached about 25% of Canadians (9 million/36 million) each week. TSN (The Sports Network) is the most watched specialty channel in terms of total hours. Furthermore, TSN and its competitor, Sportsnet, offer regional channels with less viewership than the reported national networks. The reach for another 30 less-viewed English specialty channels was below 1 million viewers per week for fall 2021. Note that a weekly viewership of 1 million represents about 3% reach based on a population of 36 million. In addition, about 30 French specialty networks exist in Canada. Although specialty networks' share of the TV viewing audience is substantial, viewers are spread out among a large number of channels available. Collectively, the specialty networks contribute to greater audience fragmentation as the number of viewers who watch any one channel is generally quite low. Of the approximately 110 total specialty networks in Canada, Corus Media owns 30+, Bell owns 20+, and Quebecor Media owns 10. Given this concentration, the purchasing of ad time is more streamlined as each media company offers services to coordinate greater exposure.

Figure 11-3 Weekly hours watched, specialty TV, fall 2021

Specialty	Hours (000)	Reach (000)	Average Hours
CTV Comedy	12,112	3,735	3.2
CTV Drama	11,208	3,303	3.4
CP24	10,175	3,722	2.7
Discovery	14,024	5,073	2.8
Food Network	7,435	3,988	1.9
HGTV	11,357	4,600	2.5
History	11,707	5,415	2.2
Showcase	13,438	5,374	2.5
Sportsnet	19,320	7,523	2.6
TSN	25,667	9,210	2.8
W Network	20,562	5,209	3.9

Data from TV Basics 2022, pp. 22–29, ThinkTV

Network Advertising Online

Both national and specialty networks offer their shows online with commercials embedded within them much like regular television viewing; for example, one can visit CTV's website and watch previously aired programs. The movement of watching "television" programming anytime, anywhere, with any device is expanding TV viewing opportunities and potentially opening up new avenues for advertising as consumers adapt to changing technology. Networks offer mobile apps for viewing on-demand programs or live programs on mobile phones or tablets; for example, one can watch *Hockey Night in Canada* with CBC's sports app and see ads just like when watching the game on the living room big screen. Total advertising revenue for online viewing hit \$261 million in 2021, 8% of the total of \$3.07 billion for TV. **Figure 11-4** shows the usage of Internet TV the past month by device.

Figure 11-4 Internet TV viewing the past month by device

Smartphone	42%
Tablet	22%
Computer	43%
TV via Internet	54%
Any device	79%

Sponsorship Advertising

In the early days of TV, an identified corporation produced most programs. Thus, the original concept of a **sponsorship** arrangement occurs when an advertiser produces the content of the program and embeds its own advertising. Today, networks produce the shows, or air shows produced by independent companies. In either case, the network sells the advertising time to a sponsoring advertiser. For example, CTV received major sponsorship expenditures over the years for its Oscars broadcast from L'Oréal, which aired many ads during the program. A three-year sponsor for *Hockey Night in Canada* is Huawei, which receives logo placement on the studio sets during the pre-game and second intermission and frequent audio statements like "brought to you by Huawei" during the broadcast.⁸

As this demonstrates, today's use of sponsorship evolved from its original concept, comes in many forms, and is now linked with social media. Sponsorship is seen with synonymous terms "branded entertainment" or "branded content" that is reminiscent of what occurred decades ago. For example, President's Choice cooked up a reality show, *Recipes to Riches*, in which contestants used the branded products to develop their own recipes. The show attracted over 600,000 viewers and reached the number one most watched program on FoodNetwork.ca. With company chairman Galen Weston as a judge, the show

offered contestants an opportunity to demonstrate their culinary flair.⁹ As for whether the sponsorship approach is identified as branded content or branded entertainment, the commercial intention is expected to be understood by the receiver of the message. However, one industry producer believes the intention of branded content is to sell and differs from branded entertainment with its intention to place the brand in a context that has enduring positive effect with its audience.¹⁰

Within these sponsored segments, the program itself or the branded component invites viewers to interact with social media through voting, viewing online content, or commenting to friends, giving rise to the idea of social TV. **Figure 11-5** indicates that many Canadians commented about TV programs, including those who are heavy users of “watching TV” on the Internet (i.e., social networkers). A good portion of this communication occurred on shows with hosts, such as sports, entertainment competitions, talk shows, morning programs, and news. **Social TV** is communication among viewers of a TV program through social media channels, and includes communication with the viewer and the TV program. All parties involved—TV programs, advertisers, and viewers—see this as an enrichment of the TV consumption experience and an opportunity for additional brand messages.

A company chooses to sponsor a program since it allows the brand to enhance its image by associating it with the prestige of a high-quality program, and the sponsor has control over the number, placement, and content of its ads. Furthermore, its message is any length as long as the total amount of commercial time does not exceed network or station regulations. And the message does not in fact count as an ad if it is in the form of branded entertainment or branded content. Finally, the production of this form of influence may require the production expertise of the media company. For example, Canadian Tire partnered with TSN for three years and saw the benefit of being able to access sports stars and teams to produce its branded content pieces that TSN aired and Canadian Tire linked on Twitter and Facebook.¹¹ As shown in **Figure 11-6**, about one-third of Canadians use the Internet while watching TV, so immediate communication with the brand can occur beyond the TV ad.

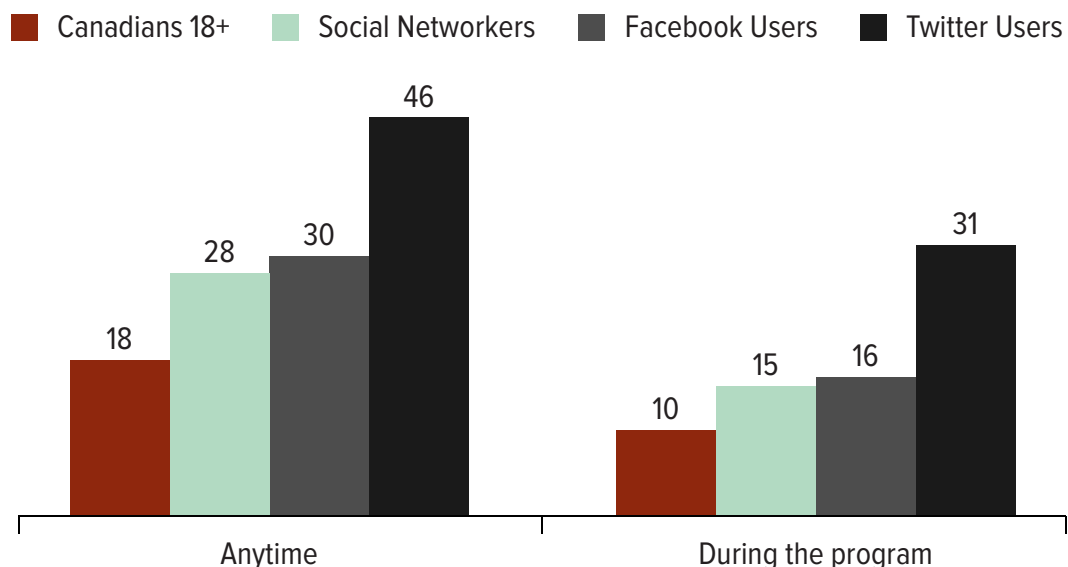
Despite the growth of branded content, the CBC experienced challenges from its employees when it tried to establish its Tandem branded content division. The public broadcaster produced branded content for a few years and saw potential to grow its services more formally. However, the broader proposal met journalist resistance, who argued the process challenged their ethical responsibilities, and the CBC withdrew the plan.¹²

Product Placement

Some TV programs show a scene in which a brand is featured prominently. For example, *Amazing Race Canada* shows contestants using vehicles made by Chevrolet, a brand partner for seven seasons, and the host communicates the specific brand name and mentions its features. In the past, the competition featured “The BMO Effect Moment of the Race,” which picked up on the bank’s creative theme and highlighted incidents when contestants assisted other contestants. For a recent season, Dempster’s food products became the source of a challenge in which contestants made different dishes.¹³

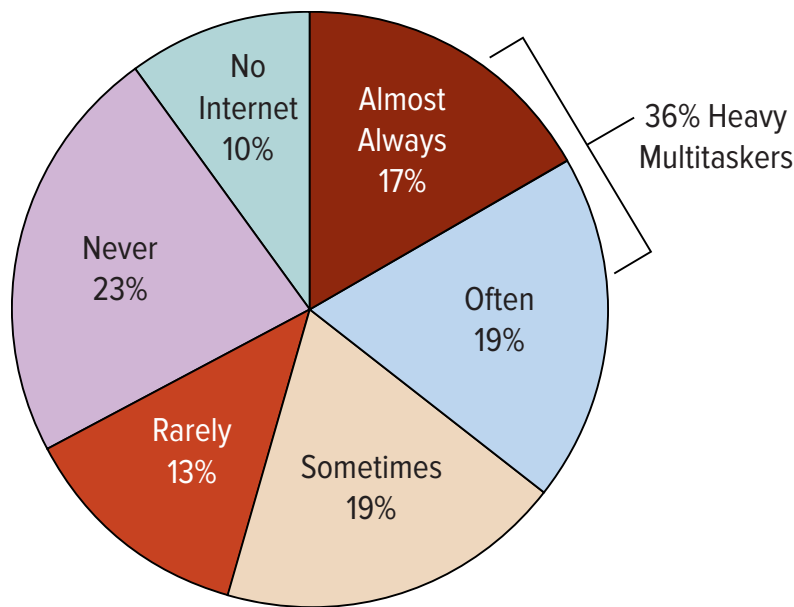
This form of advertising is known as product placement or brand placement.¹⁴ **Product placement** occurs when a brand name, a logo, the actual product, or an ad for it is part of an entertainment vehicle like a TV show or movie.¹⁵ The focus is on TV here, and social media applications are noted in **Chapter 18**. Movie applications are not summarized since it is a highly specialized media channel available to only a few advertisers. However, a study concluded that the maximum rate of return for

FIGURE 11-5 Canadians used social media to comment about a TV program anytime and during



Source: Media Technology Monitor (MTM)

FIGURE 11-6 Watch TV and access the Internet at the same time



Source: Media Technology Monitor (MTM)

product placement in movies hit its peak a couple of decades ago, indicating that consumers do not notice the movie placements as much as in the past.¹⁶ Much of the logic behind product placement is that since the placement is embedded in the script or program setting it cannot be avoided, thereby increasing exposure. And assuming a marketer selected the right TV vehicle, product placement contributes to awareness by its sheer volume of exposure.

Figure 11-7 summarizes eight product placement decisions based on a number of journal articles that performed content analysis research.¹⁷ Presumably all of these decisions are appropriate for the entertainment shows described above, as well as dramas and comedies and perhaps even live sports. Moreover, these decisions indicate equivalent characteristics identified with advertising messages and their media exposure. The second to fifth decisions are akin to design elements within the creative tactics decisions; the sixth and seventh decisions are similar to creative strategy decisions; and the first and last decisions are related to exposure with respect to the media vehicle source effect.

Figure 11-7 Product placement decisions

Program Title/Genre	Title of show, associated mood with genre
Screen/Audio Time	Negotiated, dependent on artistic direction
Size/Visibility	Foreground, background
Type of Exposure	Verbal, visual
Type of Execution	Actual, virtual
Brand Relevance	Fit with plot, characters, entertainment
Creativity	Portrayal of brand
Context	Competing screen images, clutter

Much like advertising, product placement effects are tracked to determine if the program achieved its objectives in terms of awareness and brand attitude. Perhaps product placement’s greatest strength is maintaining the loyalty of current customers who see a favourite brand consumed by a character in an entertaining situation. And, if product placement is well executed, the customer receives an emotionally transformational experience when attending to the entertainment completely.

Academic research finds support for the product placement communication effects. An early study concluded that it contributes to brand attitude and awareness and that consumers do not mind the prevalence of product placement.¹⁸ More recent research found a similar result: a positive attitude toward the product placement segment contributed to a positive attitude to the brand featured in the segment.¹⁹ An innovative study tested the attitudinal effects of product placement over time in an natural setting and found that the attitudinal effects remained strong one week and one month after exposure.²⁰ Another study

tested the effects of entertainment, information, and irritation characteristics on product placement value and advertising value. Entertainment and information more strongly predicted advertising value compared to predicting product placement value. However, the irritation factor had a stronger negative prediction to product placement value compared to no link to advertising value. These findings support the media role of product placement that, if not done well, it could potentially cause damage to the brand.²¹ For awareness effects, a study compared the recognition and recall effects of a TV ad to a product placement during the same show, and concluded the TV ad yielded stronger ad/product placement recall of the brand.²²

It is important to note that product placement is not universally advocated in advertising since consumers are not fully aware that an advertising exposure is occurring while watching a TV program. In response to this concern, European countries disclose to consumers with a PP symbol or a statement (or with both approaches) when a product placement exposure occurs during a TV program. Initial research discovered a lack of knowledge of the meaning of the disclosure symbol a few years after introduction.²³ A later study used eye-tracking research to see which disclosure viewers attended to the most among three approaches. Most viewers paid attention to the latter two options, but very few noticed the logo. The advertising awareness result appeared stronger for the logo and statement presentation.²⁴ The most recent study summarized the disclosure practices observed from a comprehensive sample with the symbol used half the time and the other two approaches used a quarter of the time. The disclosure time averaged four to six seconds, and 80% occurred at the start of the program. The disclosure occurred in 3% of the screen or less for 80% of the sample.²⁵

TIME PERIODS AND PROGRAMS

Another decision in buying TV time is selecting the right time period and program to schedule the advertiser's commercial. The cost of TV advertising time varies depending on the time of day and particular program, since audience size varies as a function of these two factors. As for the particular program, *Hockey Night in Canada* is a popular selection due to the audience size and composition.

TV time periods are divided into **dayparts** which are specific segments of a broadcast day. Advertising rates differ across these dayparts since audience size and demographic composition vary. The dayparts structure varies as well, but the general format is as follows. Prime time occurs seven days a week between 7:00 p.m. and 11:00 p.m. when front-running shows are aired, leading to the largest audiences. Prime time is the most expensive time slot in which to advertise and is typically dominated by national advertisers. Prime time draws about 40 percent of per capita television consumption. On weekdays, prior to prime time (4:00 p.m. to 7:00 p.m.) and after prime time (11:00 p.m. to 2:00 a.m.) are early and late fringe times respectively, with each daypart drawing about 10 percent per capita television consumption, for a total of 20 percent. On weekdays, early morning (6:00 a.m. to 10:00 a.m.), daytime (10:00 a.m. to 4:00 p.m.), and overnight (2:00 a.m. to 6:00 a.m.) dayparts draw about 20 percent of per capita television consumption. Finally, Saturday and Sunday dayparts (2:00 a.m. to 7:00 p.m.) draw the remaining 20 percent.

Audience size and demographic composition also vary depending on the program. For example, *The Big Bang Theory* peaked as a top-ranked show in Canada and regularly drew 4 million viewers each week. Other top 10 shows typically attracted 1.5 million to 2 million viewers. Other top shows for the past few years include *Grey's Anatomy* and *The Amazing Race*. As one might expect, the audiences for these programs are likely quite different and, as indicated in **Chapter 10**, an advertiser might want to place a message in all these shows to obtain greater reach. Alternatively, an advertiser might want to place a message in many first responder dramas like *Station 19* and *9-1-1* to obtain stronger frequency, since these shows possibly draw overlapping audiences. Data from the audience measurement system would confirm these or other similar conclusions. As this suggests, selecting the right daypart and the show within the daypart is an important decision, and the variation of the types of programs within the dayparts influences other media decisions significantly.

Given the importance of dayparts and programs for advertisers, Canadian TV networks carefully bid on new programs when they come available and decide on their prime time lineup across each day of the week. In fact, each typically planned an overall strategy for the networks for the week and for each individual evening.²⁶ For example, networks not airing *Monday Night Football* need to consider what shows to air to attract those not interested in the sport or league. Alternatively, networks may want an evening with programs with a broader audience that may be appealing to advertisers. From another view, a network might want to balance its evening programming for different ages, or for males and females. Strategically, a network may want to insert a new program each evening with the intention of drawing loyal followers of one program to stay on the channel to see the next one.

MEASURING THE TV AUDIENCE

As the preceding indicated, audience measurement is critical to advertisers as well as to the networks and stations. Advertisers want to know the size and characteristics of the audience they are reaching when they purchase time on a particular program.

And since the rates they pay are a function of audience size, advertisers want to be sure audience measurements are accurate. Audience size and composition are also important to the network or station, since they determine the amount it can charge for commercial time. Shows are cancelled once they fail to attract enough viewers to make their commercial time attractive to potential advertisers. This section examines how audiences are measured and how advertisers use this information in planning their media schedules.

Audience Measurement

Television audiences are measured by Numeris, a not-for-profit broadcast research company based on cooperation among the Canadian Association of Broadcasters, the Association of Canadian Advertisers, and Canadian advertising agencies. Numeris collects TV audience measurement data with two methods: portable people meter (PPM) for national and some local markets, and diary for remaining local markets. **Figure 11-8** summarizes data collected by Numeris regarding the amount of TV watched across different age groups for fall 2021. TV viewing remained strong despite the prevalence of the Internet, although viewership variation exists across demographic groups. At present, there is a drop in hours watched and daily reach for younger adults aged 18–24 versus those aged 25–54, but weekly reach is similar. The substantial viewership for those aged 55+ signals heavier TV viewing for retired people with additional spare time.

Figure 11-8 Weekly hours watched by age, fall 2021

Age	Weekly Hours per Capita	Weekly Reach %	Daily Reach %
Persons 2+	19.7	85.4	69.4
Adults 18+	21.8	86.9	72.1
Adults 18–24	9.5	79.7	56.6
Adults 25–54	12.9	80.8	60.9
Adults 55+	35.9	96.2	90.0

Data from TV Basics 2022, p. 11, ThinkTV.

Currently, Numeris's portable people meter collects data nationally and in large local markets: Montreal (French and English), Toronto–Hamilton, Calgary, Edmonton, and Vancouver–Victoria. People in the panel wear a device that automatically records a silent audio signal emitted from programming. In fact, the PPM is capable of receiving the signal from other media such as radio, cinema, or any medium that emits a sound. The device records information regarding station, program, and time. Each evening, the device is placed in a docking station and the data are transferred to Numeris. The method offers numerous measurement benefits over the previous technology: it measures unobtrusively since the person does not interact with the device while recording data; it measures on an individual level instead of on a household or television basis; it measures exposure to multiple media for each individual; and it measures exposure of recorded programming from any technology (e.g., PVR).

Numeris uses the diary research method for collecting television audience information in local markets across the country. A booklet for each television owned in the household is sent to a representative sample of households. Numeris gathers viewership information from this sample and then projects this information to the total viewing area. The diary method works as follows. Each person aged two years or older records their viewing for one week. The recordings are based on 15-minute increments from 6:00 a.m. until 2:00 a.m. Viewers write down station call letters, channel numbers, programs, and who is watching. The booklet also contains a number of basic demographic questions. As expected, the diary method is a substantially weaker measurement system than the PPM.

For total Canada and meter markets, advertisers track the average weekly audience size by demographic, reception type (e.g., satellite, cable, off-air), and station group (e.g., conventional, specialty). Advertisers observe reach by province, market, station, time period, and program across numerous demographic variables. Numeris offers resources to members regarding research methodology (e.g., sample size and characteristics, data collection, response rates, panel background, geographic boundaries), TV programming (e.g., program listings, technology adoption and use), and day-after viewership data. The EM Stats Card provides detailed viewing information for each market in terms of cable, satellite, and PVR penetration in addition to other similar macro-level data.

For the past five years, Numeris tested a new system to measure video consumption from linear television (i.e., regular TV), SVOD services, and online viewing on all devices and media outlets. A meter is attached to a household's Internet router, much like what is currently done for linear television measurement.²⁷ Numeris released the first dataset of Video Audience Measurement (VAM) at the start of 2022, and the company indicated that the data would provide advertisers unduplicated audience sizes across demographics, content, and platform.²⁸

Audience Measures

The data collected allow for the calculation of two critical audience measures: program rating and share of audience. A **program rating** is the percentage of people in a geographic area tuned in to a specific program during a specific time period. The program rating is calculated by dividing the number of people tuned to a particular show by the total number of people in the geographic area. A **ratings point** represents 1% of all the people tuned to a specific television program and is calculated nationally, regionally, and for each local market. The program rating is the key number for individual stations, networks, and advertisers since the amount of money charged for commercial time is based on it. A 1% change in a program's rating during a viewing season can gain or lose substantial dollars in advertising revenue for the media organization or increase or decrease audience size for the advertiser.

Another important audience measurement is the **share of audience**, which is the percentage of people watching TV in a specified time period that are tuned to a specific program. Audience share is always higher than the program rating unless all people are watching television (in which case they would be equal). Share of audience is an important performance metric since it indicates how well a program does with the available viewing audience. For example, late at night the size of the viewing audience drops substantially, so the best way to assess the popularity of a late-night program is to examine the share of the available audience it attracts relative to competing programs. Again, share of audience is calculated nationally and for each local market.

Since the data are recorded on a minute-by-minute basis for the PPM and in 15-minute increments for the diary method, the program ratings and share of audience can be examined over different time intervals. In fact, some believe that the ability of new technology to measure audiences with short time intervals on a minute-by-minute basis will provide unexpected research results regarding TV viewing behaviour in the future.²⁹ Also, since demographic and other consumer data are recorded, these measures can be investigated in great detail for many target audience profile variables. For example, **Figure 11-8** showed a breakout of this data by age. The sheer complexity and extensiveness of the data makes advanced software analysis paramount.

Audience Measurement Reporting

The collected television data are analyzed with software applications provided by other organizations. One company, nlogic, is a subsidiary of Numeris and offers numerous solutions for examining the program ratings and share of audience data extensively, by time and by different audience characteristics. Many other third-party processors exist, as the market for turning data into valuable media planning information is competitive. Some specialize in either diary or meter data, and many offer analysis for both.

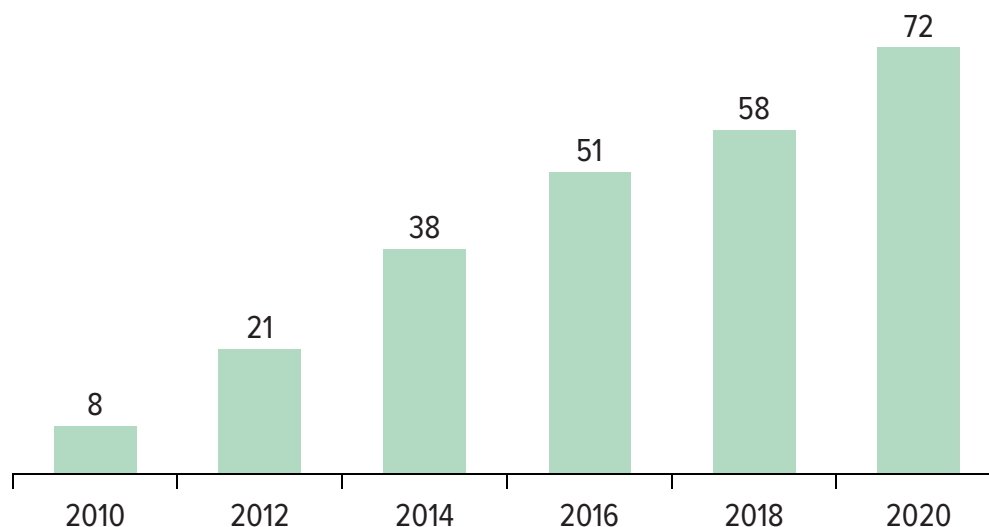
Media buying agencies and advertising agencies subscribe to these data and analytic services and use the information for developing media plans for their clients. Advertisers can access some of this aggregate information through ThinkTV, an industry association for television networks, television stations, and firms that sell television advertising time. It offers resources to those in the television industry to demonstrate the value and importance of television as a medium versus competing media (e.g., magazines). It publishes basic facts garnered from the aforementioned sources and conducts primary research through independent market research firms.

SVOD TV VIEWING

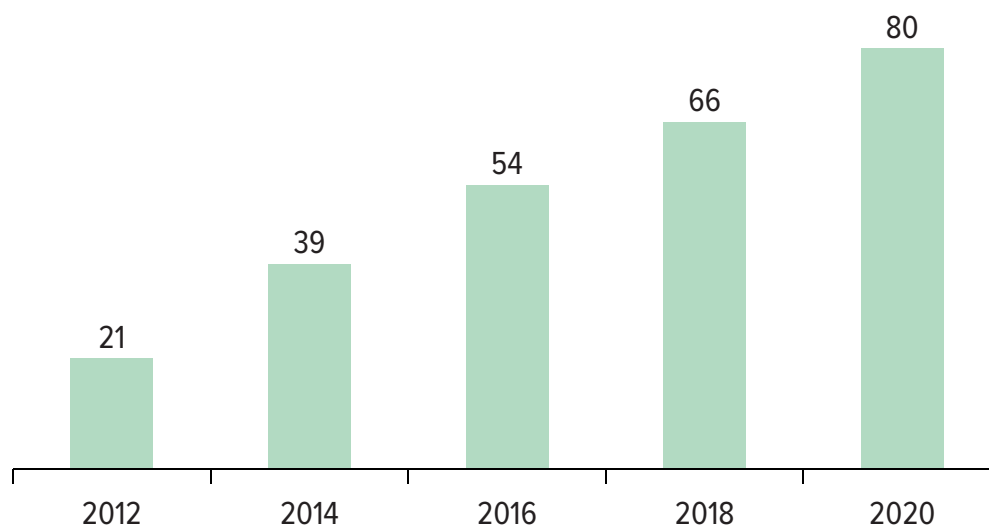
As noted earlier, viewers watch TV programs online with ads, and they see TV programs with subscription video on demand (SVOD) without ads from services like Netflix. However, in late 2022, Netflix began offering a subscription service with advertising at a discounted price compared to its full-service subscription without advertising. Accessing TV programs through online viewership and SVOD requires delivery via the Internet. **Figure 11-9** indicates significant growth of Canadians using a TV connected to the Internet to view TV programs for both types of viewing behaviour. The implication is that the consumers are dramatically changing their viewing behaviour as broadband Internet becomes more widely distributed.

Figure 11-10 shows the growth of SVOD, indicating substantial acceptance by Canadians. The distribution of the number of SVOD service subscriptions (i.e., 0, 1, 2, 3, 4+) is uniformly distributed at about 20% each. The implication is perhaps greater use by advertisers of product placement and social TV communication as more people watch TV programs with fewer TV ads or no TV ads.

Figure 11-11 compares SVOD subscribers and non-subscribers, indicating that both groups retain high levels of a paid TV service at 68% for SOVD subscribers and 75% for non-subscribers. An SVOD subscription is an add-on service for many Canadians; the majority of SVOD subscriptions are currently for Netflix. Thus, at any given time, viewers will choose to watch either a paid TV service program or a Netflix program. The implication for networks and advertisers is to improve their TV programs to ensure greater frequency of use or more use per session.

FIGURE 11-9 Accessed the Internet on a TV

Source: Media Technology Monitor (MTM)

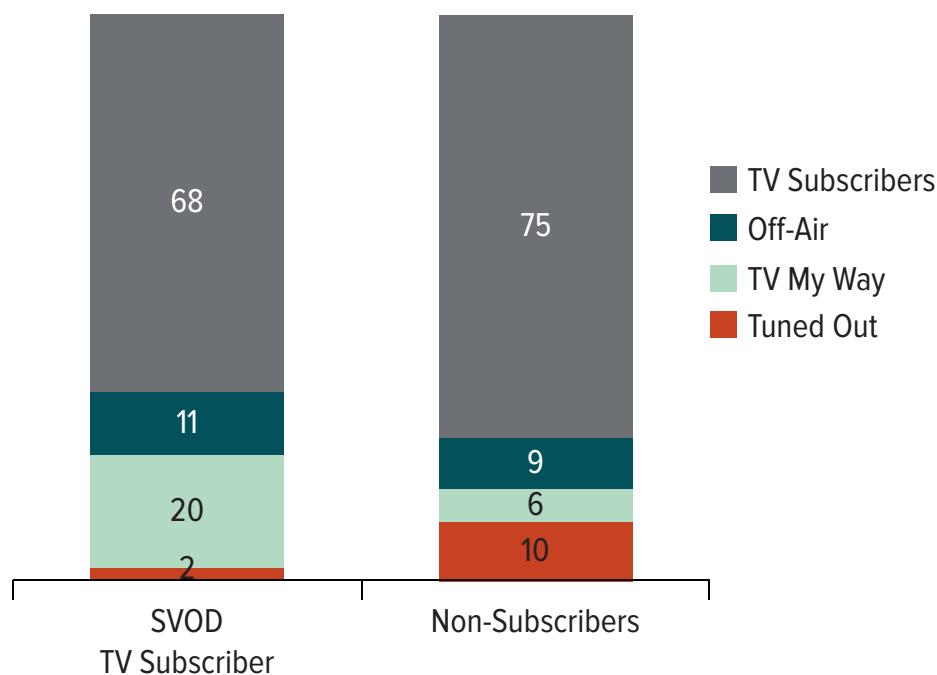
FIGURE 11-10 SVOD subscriptions

Source: Media Technology Monitor (MTM)

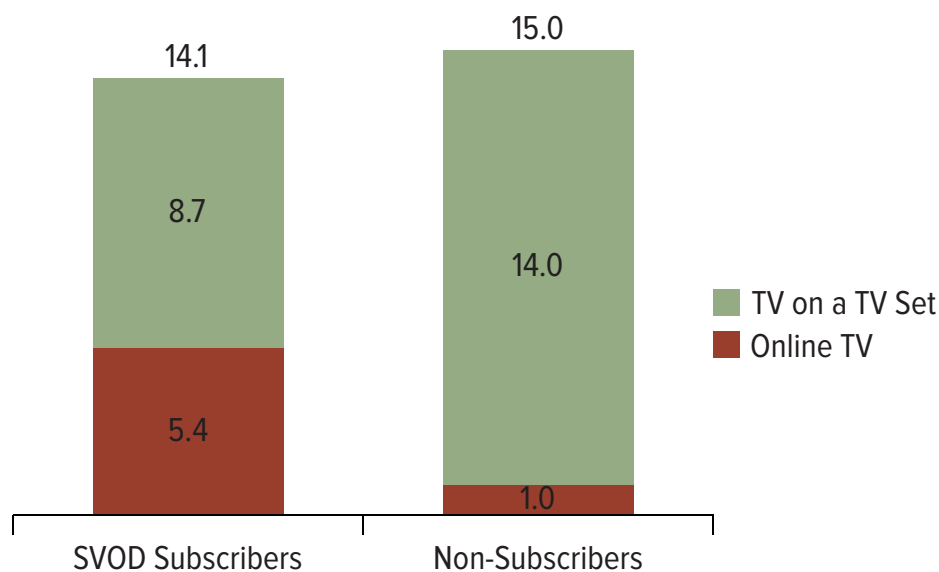
Figure 11-12 further supports the point that SVOD services round out a viewer's experience. SVOD subscribers report 14 hours of viewing per week with almost nine of those hours consuming programs from their paid TV service. Note that this data is self-reported and it is typically underreported compared to viewership tracked by Numeris for TV and other methods for online viewing. As noted above, TV networks and advertisers would presumably try to maintain the number of hours of paid TV service viewing. Moreover their programming could evolve more to live entertainment like sports or to popular event TV where watching it as it unfolds becomes a viewer priority.

The data presented here suggests different futures for conventional TV and opportunities for advertising on TV shows to reach audiences. In addition, as viewers gravitate to SVOD services, it remains to be seen whether these services will continue not to show ads as a source of revenue. For example, viewers may see a series on Netflix or another service begin with a "sponsored by" announcement, much like was seen on live TV in the 1950s. An implication of SVOD services is that broadcasters attract fewer viewers and consequently have less opportunity to charge higher rates to advertisers for revenue growth. Furthermore, since many SVOD services are not Canadian based, there are tax implications creating unfair competition, regulatory fee implications for funding Canadian content, concerns for developing and distributing programming reflecting Canadian culture, and finally issues regarding the content of the Broadcasting Act, which governs the industry.

Under the Act, Netflix is exempt from Canadian content quotas and funding requirements that Canadian broadcasters must follow. Accordingly, industry firms made proposals to change the Act. BCE and Rogers Communications proposed that

FIGURE 11-11 TV services

Source: Media Technology Monitor (MTM)

FIGURE 11-12 TV content consumption (self-reported hours)

Source: Media Technology Monitor (MTM)

streaming services be required to fund Canadian content just like broadcasters to maintain the quality and volume of Canadian content. Netflix appears to have accepted the idea and struck a deal with the federal government to spend \$500 million over five years on original production. Bell proposed that streaming services start contributing at a rate of 20% by 2022, and pointed out that the streaming services maintained a built-in price advantage since they did not collect sales tax. In contrast, Telus, Shaw, Corus, and Quebecor argued for deregulation of the broadcast industry. Corus recommended eliminating foreign investment restrictions, reducing Canadian programming expenditures, and discontinuing the rules limiting local broadcast ownership. Telus suggested phasing out the requirement to pay into the Canada Media Fund used to create programming, so that our cultural policy goals and industry policy goals would be independent of one another. Quebecor believed the new services should avoid being drawn into old broadcast policies and that the previous regulations should be eliminated for all industry organizations.³⁰

CRTC REGULATION

The Canadian Radio-television and Telecommunications Commission (CRTC) is an administrative tribunal within the federal government that regulates various aspects of TV in Canada. This section briefly summarizes a few relevant topics for advertising planning on TV.

Responsibilities

The CRTC is responsible for regulating and supervising Canada's communication system derived from the CRTC Act, the Bell Canada Act, the Broadcasting Act, and the Telecommunications Act. The broad objective of these acts ensures that all Canadians receive broadcasting and telecommunications services. Beyond this public service mandate, the CRTC balances the needs of citizens, industries, and interest groups with respect to Canadian content programming, technological considerations, and many communication issues. The CRTC organizes its responsibilities across phone, Internet, TV and radio, and business and licensing domains. Extensive research occurred recently where the CRTC invited Canadians to offer their opinions. In its current three-year plan, the CRTC planned to focus on three themes: create—by ensuring quality, diverse, and compelling content; connect—by ensuring quality, choice, and innovative communication services; and protect—by ensuring access to safe communication systems.

The CRTC regulates media organizations (i.e., television, cable distribution, AM and FM radio, pay and specialty television, direct-to-home satellite systems, multipoint distribution systems, subscription television, and pay audio) and is responsible for granting the licences for these media and ensuring that they comply with the Broadcasting Act. The CRTC undertakes significant activities to ensure that Canadian content occurs in Canadian media. Its most recent direction is to emphasize quality over quantity. This is beneficial for advertisers trying to reach audiences viewing uniquely Canadian programming. The CRTC is involved significantly in two ad broadcasting topics that are relevant for advertising: advertising time limits and signal substitution.

Advertising Time Limits

Conventional TV stations have no limit regarding the number of advertising minutes per hour. However, the CRTC regulates the amount of TV advertising in a few circumstances. Specialty TV services carry 12 minutes per hour of advertising during the broadcast day, which lasts 18 hours beginning at 6:00 a.m. This limit is also applied to mainstream sports services, national news services, and some community-based TV stations. Note that public service announcements, political ads, and “ads” for Canadian TV shows are not counted in this total, nor is product placement or virtual ads placed within shows. There is no limit for radio ads except for campus stations. Specialized sponsorship arrangements are possible in situations where no advertising is permitted (i.e., community cable TV, CBC radio).

Signal Substitution

Signal substitution occurs when a television service provider temporarily replaces the entire signal of one TV channel with another channel that is showing the same program at the same time. Most times this occurs when a Canadian signal replaces an American signal. This protects the interests of the broadcasters who have paid for the rights to show the program in Canada. It also promotes local broadcasting and content creation by allowing these media to retain their audience. Finally, it keeps advertising revenue of about \$250 million within the Canadian market. While this appears acceptable to many Canadians historically and for most TV programming, football viewers are not satisfied when US ads are not in the domestic feed for the Super Bowl. The allure of the US ads is all about big money. The Super Bowl sells 80 30-second ads for about \$5.5 million in the United States to attract 100 million US viewers (CPM = \$55). In Canada, CTV sells each 30-second ad for about \$200,000 (CPM = \$27 for the larger 7.5 million audience).³¹

In 2015, the CRTC announced that Canadians would see American ads during the Super Bowl broadcast starting in 2017. CTV, which held the rights, would not be permitted signal substitution during the Super Bowl broadcast on their network. Some Canadians watched the Super Bowl broadcast in 2017 on a US channel and saw US ads, resulting in a decline of CTV viewers from 7.3 million to 4.5 million and a loss of \$11 million in ad revenue for Bell Media. In early 2018, the Supreme Court of Canada upheld the CRTC's decision, and the number of viewers stayed at 4.5 million for 2018 and 2019. Bell Media pressed on with its efforts and received positive news when a clause within the North American Free Trade Agreement overturned the CRTC decision.³²

Is there a conclusion about TV and its advertising based on this story? First, it demonstrates the importance of TV for live sports and major events shown on TV. For Canadian advertisers, the Super Bowl takes advantage of all of TV's strengths. Second, it confirms the significance of rights within intellectual property, something in decline in the era of digital piracy.

LO2 Evaluating Television

Television is an ideal advertising medium because of its unique mass media characteristics and its ability to combine visual images, sound, motion, and colour. It presents advertisers with the opportunity to develop creative and imaginative appeals. This section evaluates TV as an advertising media option for media planners. **Figure 11-13** summarizes the relative strengths and limitations of television compared to other media. The media characteristics and media usage characteristics correspond to those identified in **Figure 10-4**. The strengths are highlighted in bold, and this section reviews the strengths in order, and then the limitations in order.

Figure 11-13 Summary of Evaluating Television

Media Characteristics	Media-Usage Characteristics
Target audience selectivity	Control for selective exposure
Target audience coverage	Attention
Geographic coverage	Creativity for cognitive responses
Scheduling flexibility	Creativity for emotional responses
Reach	Amount of processing time
Frequency	Involvement
Absolute cost per placement	Clutter
Relative cost per exposure	Media image

STRENGTHS OF TELEVISION

TV has numerous strengths compared to other media, including target audience coverage, geographic coverage, scheduling flexibility, reach, frequency, relative cost, attention, creativity for cognitive and emotional responses, and media image.

Target Audience Coverage

Marketers selling products and services that appeal to broad target audiences find that TV lets them cover mass markets or large groups of target consumers. Nearly everyone—regardless of age, sex, income, or educational level—watches at least some TV. The average Canadian watches TV 25 hours per week, thereby consuming this medium more than any other. Most people watch on a regular basis: 99% of all Canadian households own a TV, and 74% have more than one TV. Television advertising makes it possible to ensure that advertisers achieve audience coverage. However, as noted in **Figure 11-1** earlier, coverage for TV content with television ads via paid TV services and antennas is at 75%, noticeably lower than previous levels.

Geographic Coverage

Advertisers adjust their media strategies for TV to take advantage of different geographic markets through spot ads in specific market areas. Ads are scheduled to run repeatedly in more favourable markets. Alternatively, advertisers obtain national coverage or regional coverage depending upon their marketing objectives. This is especially useful if promotional planners take advantage of information regarding their brand development index or the category development index described in **Chapter 10**. For example, Oxford Frozen Foods advertised on the Food Network, HGTV, Global, the Cooking Channel, and TSN during major sporting events to communicate the benefits of its wild blueberries. After years of discussing this, managers took the leap to communicate the value of eating the fruit grown in rural Nova Scotia.³³

Scheduling Flexibility

Television has been criticized for being a nonselective medium, since it is difficult to reach a precisely defined target audience through the use of TV advertising. But some selectivity is possible due to variations in the composition of audiences as a result of broadcast time and program content. For example, Saturday morning TV caters to children; Saturday and Sunday afternoon programs are geared to sports-oriented individuals; and weekday daytime shows appeal heavily to homemakers. With the growth of specialty channels, advertisers refine their coverage further by appealing to groups with specific interests such as sports, news, history, the arts, or music. The development of specialty channels allowed for selectivity somewhat similar to magazines on these interests.

Reach

Television viewing is a closely monitored activity such that the size of the audience for a television program is known fairly quickly. Placement of TV ads on certain combinations of shows allows an advertiser to reach as many in its target audience as it deems necessary. As **Figure 11-14** shows, TV reaches 72% of Canadians on a daily basis, and virtually everyone on a weekly basis with 87% reach. These statistics indicate that TV is a good media to achieve high reach levels.

In addition, TV continued to reach 52% of young adults aged 18–34 on a daily basis and 76% on a weekly basis (**Figure 11-15**). Availability of airtime and amount of budget are the main constraints on allowing an advertiser to reach as large an audience as possible.

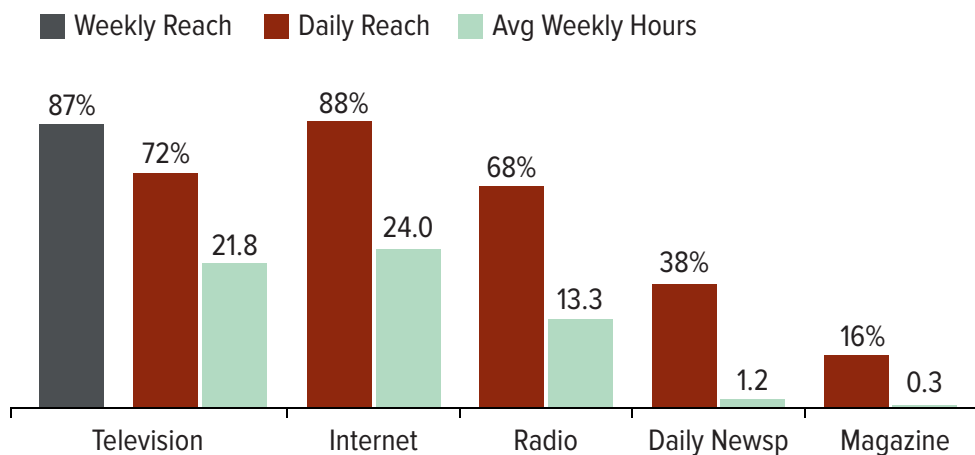
Frequency

Scheduling television permits frequency in concentrated blocks throughout a program, evening, week, month, or season. Heightened frequency may be necessary for a new product launch or an effort to obtain switching, while lower levels of frequency may be feasible for advertisers desiring more continuous exposure.

Relative Cost

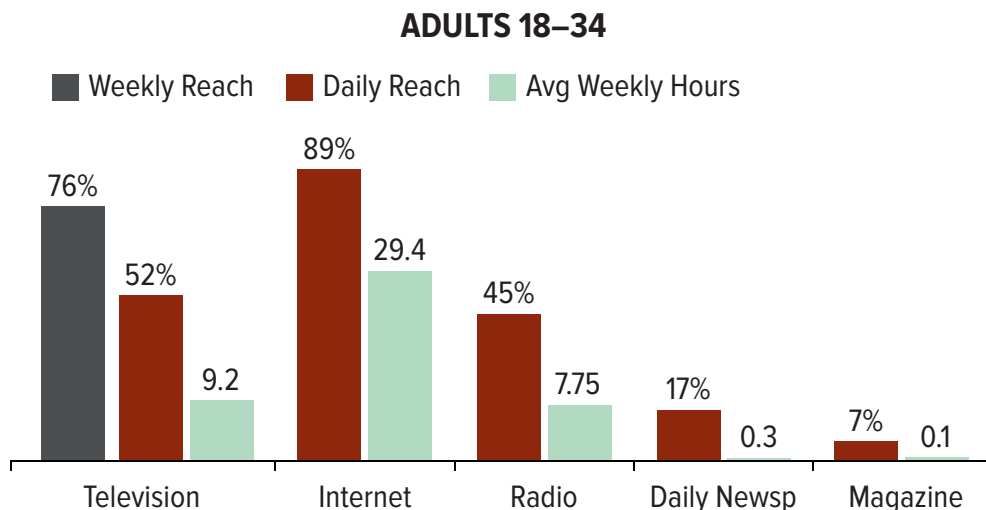
Compared to many other media, the cost to reach individuals by television is reasonably affordable. For example, one of the most expensive placements is an ad shown during the Super Bowl costing \$130,000, yet with a viewership of 6.5 million, the average cost per thousand (CPM) is about \$20, which is on par with basic banner ad rates.³⁴ Because of its ability to reach large audiences in a cost-efficient manner, TV is a popular medium among companies selling mass-consumption products.

FIGURE 11-14 Weekly reach/daily reach/average weekly per capita hours, adults 18+



Source: *TV Basics*, ThinkTV, 2022.

FIGURE 11-15 Weekly reach/daily reach/average weekly per capita hours, adults 18–34



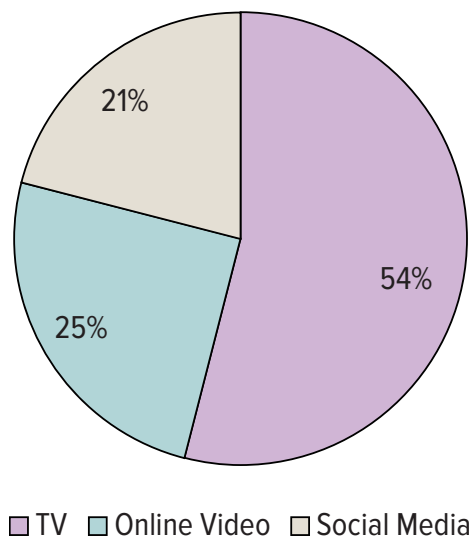
Source: *TV Basics*, ThinkTV, 2022.

Companies with widespread distribution and availability of their products and services use TV to reach the mass market and deliver their advertising messages at a very low cost per thousand. Television is indispensable to large consumer packaged-goods companies and car makers, for example.

Attention

Television is intrusive in that ads impose themselves on viewers as they watch a program. Unless viewers make an effort to avoid commercials, they are exposed to thousands of them each year. This seemingly constant exposure implies that viewers devote some attention (i.e., selective attention) to many advertising messages. As discussed in **Chapter 4**, the low-involvement nature of consumer learning and response processes may mean TV ads influence consumers simply through heavy message repetition and exposure to catchy slogans and jingles. Research suggests that consumers watch their favourite programs with greater attention to the program and subsequently to the embedded television commercial.³⁵ **Figure 11-16** indicates that most viewers believe they pay attention to TV ads more than other forms of advertising, although a different trend with young adults who use other media at higher levels occurs.

FIGURE 11-16 Attention to advertising by media



Source: *The Power of TV in an Attention Economy*, ThinkTV, 2022.

Creativity for Cognitive and Emotional Responses

Perhaps the greatest advantage of TV is its ability to present the advertising message—the interaction of sight, sound, and motion offers creative flexibility for generating responses that make people both feel and think. **Figure 11-17** shows that TV produces more positive processing responses than social media. Emotionally, TV ads convey a unique image for a brand, develop entertaining appeals that make a dull product appear interesting, give lifelike representation and dramatic insight of consumption, and tell a story about a brand to highlight its features and benefits. For example, the ads for Newfoundland and Labrador tourism showed fjords in Gros Morne National Park and other stunning visuals with beautiful cinematography for many years, and more recently focused on storytelling of the people, activities (e.g., iceberg watching!), and locations across numerous executions.³⁶ Cognitively, TV ads demonstrate how a product or service works, inform consumers about new brands or products, and allow consumers to see how one product compares to another. For example, about half of all TV ads feature one aspect of comparative advertising.³⁷

Figure 11-17 Responses to TV and social media advertising

Emotional Response	TV	Social Media
Makes you laugh	49%	13%
Makes you feel emotional	42%	10%
Like	47%	12%
Talk about it	31%	14%

Source: *Ad Nation 2020: Canadian & Industry Perceptions of Advertising & Media*, ThinkTV, 2020.

Media Image

Given the prominence television has with its mass-market characteristic, TV advertising carries a high degree of acceptability. Television is usually viewed favourably due to the higher costs of placement and production, which demonstrates a level of acceptance or establishment for those who advertise with this medium. **Figure 11-18** summarizes data reported by ThinkTV. The evolution of advertisers putting their TV ads on video hosting sites is a testament to media image.

Figure 11-18 Trust of advertising by media

Media	Adults 18+	Adults 18-34
TV	70%	60%
Online Video	12%	20%
Social Media	8%	12%

Source: *Power of TV in an Attention Economy*, ThinkTV, 2022.

IMC Perspective 11-1 describes prominent brands who continue to use TV along with digital and other media in their plans to influence their target audiences.

IMC PERSPECTIVE 11-1

TV IS A WINNER FOR MANY BRANDS^B

The strengths of TV continue to attract major brands from numerous product categories to include this medium in their plans featuring different types of IMC programs. As expected, a TV service provider like Cogeco used TV to attract viewers to consider its new Internet and TV service, Epico, with epic imagery! The ad began with a striking TV visual of a dragon on a suburban road that attracts the attention of viewers, emotionally involves the audience with a household transforming into a *Game of Thrones*-style fortress, and lets families understand the new features of the streaming service. Other media in the plan included digital, social, and outdoor to build awareness.

Truly personalized TV powered by ultrafast Internet

From wireless TV and a voice-activated remote, to personalized recommendations, at your streaming app in one place and unlimited internet, EPICO has it all.

Discover EPICO

© 2022. Cogeco Connexion

Sleep Country attracted students with a “Mattressship” idea and delivered its message on TV. The ad reinforced the message that a quality mattress leads to deeper sleep and better school performance due to sufficient rest. Additional messaging occurred on TikTok, and a public relations effort of donating money to the Canadian Mental Health Association enhanced the health claim.

Sephora emphasized its “clean beauty” product lines that feature sustainable practices (e.g., sourcing, packaging, environment) with TV messages. This media permitted broader reach to achieve greater awareness and establish a central position for Sephora as a destination store for clean products without giving up beauty performance. Combined with paid social media, the brand continued the message for clean beauty that began four years previously.

Italpasta’s TV ads, narrated by its founder, conveyed themes of love, home, and tradition with scenes like a father feeding his daughter and a couple having a date night. The timelessness of pasta in the messaging resonated emotionally and cognitively for viewers. The ad entitled “Our Pasta Love Affair” showcased how pasta transcends generations and cultural ties by bringing people together.

Interestingly, Nesto, a digital-only mortgage broker, used TV to attract first-time home buyers! Its website features rates from 22 financial institutions and is designed to appeal to younger, tech-savvy buyers. The humorous message showed a janitor effortlessly making tricks shots at a college gym to symbolize how easy it is for consumers to use Nesto.

Finally, Kruger products celebrated its fortieth year as a title sponsor of the Scotties Tournament of Hearts, Canada’s national women’s curling championship, with continued use of TV ads during the broadcasts. The new ad for the anniversary inspired young women and girls to try curling versus past ads that highlighted women currently competing in the sport. This coincided with the strategy of the year’s campaign to appeal to a national audience with a broader, national TV buy.

QUESTION

1. Identify which TV strengths are associated with each of the brand illustrations.

LIMITATIONS OF TELEVISION

Although television is strong from a creative perspective, the medium exhibits limitations, such as target audience selectivity, absolute cost, control for selective exposure, processing time, involvement, clutter, and media image. The absolute cost per placement is a limitation that precludes advertisers with small media budgets.

Target Audience Selectivity

Selectivity is available in television through scheduling by day, time, type of program, or program name, but advertisers seeking a very specific target audience find the coverage of TV extends beyond their market. Geographic selectivity can be a problem for local advertisers such as retailers, since a station bases its rates on the total market area it reaches, which may be beyond the merchant's trade area. Recent technology to target by household on what TV programming is actually watched is beginning to show stronger selectivity at a lower cost.³⁸

Selectivity is possible within a network's portfolio, as Corus Television reaches women with three channels. W Network offers a wide variety of entertainment for women of all ages. Cosmopolitan TV "promises fun, flirty and irreverent entertainment" for women aged 18–34. W Movies is expected to reach women aged 25–54. The flanking strategy of having two niche channels to support the mainstream one is consistent with media vehicle options found with magazines. For example, Transcontinental has *Elle Canada* for women in their twenties, *Canadian Living* and *Homemakers* for women in their thirties and forties, and *More* and *Good Times* for women older than 40.

Absolute Cost

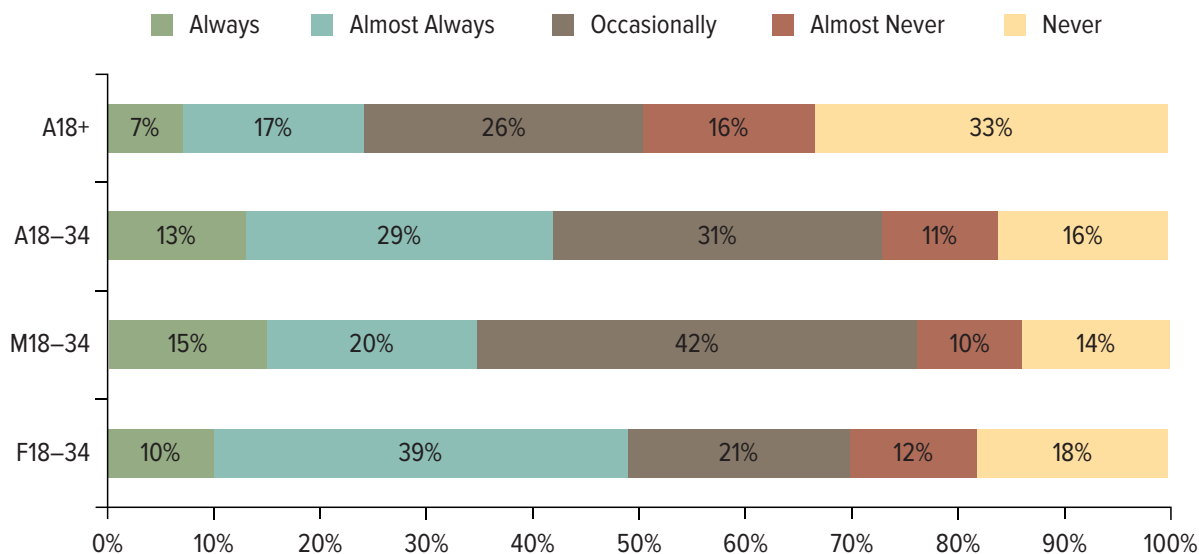
Despite the low CPM of TV in reaching large audiences, it is an expensive medium in which to advertise. The high cost of TV stems not only from the expense of buying airtime but also from the costs of producing a quality commercial. More advertisers are using media-driven creative strategies that require production of a variety of commercials, which drive up their costs. Even local ads can be expensive to produce and often are not of high quality. The high costs of producing and airing commercials often price small and medium-sized advertisers out of the market.

Control for Selective Exposure

When advertisers buy time on a TV program, they are not purchasing guaranteed exposure but rather the opportunity to communicate a message. There is evidence that the size of the viewing audience shrinks during a commercial break for a variety of obvious reasons and due to zapping and zipping. Multitasking consumers with their phones are distracted from viewing ads as well (Figure 11-19).

Zapping refers to changing channels to avoid commercials. An observational study found as much as one-third of program audiences may be lost to zapping when commercials appear.³⁹ Zapping occurs because commercials are viewed as unbelievable, a poor use of time, and annoying.⁴⁰ Research shows that young adults zap more than older adults, and men

FIGURE 11-19 Percentage of Canadians using their phone while watching TV



Source: ThinkTV

are more likely to zap than are women.⁴¹ And surprisingly, one study found that zapped ads had stronger brand purchase possibly due to increased message processing just prior to changing channels.⁴² The number of people zapping in and out during breaks was not caused by the type of product being advertised or by characteristics of the ads, but rather to find out what is shown on other channels.⁴³ Research discovered that zappers recalled fewer brands advertised than non-zappers, and that most of the brands recalled by zappers were placed near the end of the commercial break when viewers returned to a program.⁴⁴

Zippping occurs when customers fast-forward through commercials as they play back a previously recorded program. In 2019, Canadians averaged 1 to 2 hours per week of PVR viewing depending on their age bracket.⁴⁵ One author suggests that data showing how and when viewers avoid commercials provides information to make advertising more relevant and efficient.⁴⁶

Processing Time

TV commercials usually last only 30 or 15 seconds and leave nothing tangible for the viewer to examine or consider. Presumably, consumers do not process much information or have emotional responses beyond the immediate presentation of a few seconds, although this changes with very creative ads that have thoughtful messages or involve consumers with extreme emotions. These two time frames account for about 80 percent of all ads for the past two decades, with the 15-second ad growing somewhat. A 15-second spot typically sells for about two-thirds the price a 30-second spot. Since these advertisers believe that shorter commercials can deliver a message just as effectively as longer spots, the use of 15-second commercials allows advertisers to run additional spots to reinforce the message through greater frequency, reach a larger audience, or advertise in more purchase cycles.

Involvement

The cumulative effect of television's characteristics implies that it is a low-involvement medium. While its invasive messages provide instant exposure and perhaps hold our attention with impressive creative strategies and tactics, the relatively short processing time makes it a less effective media for an advertiser to significantly persuade a target audience. While this assertion of TV appears historically accurate, alternative ideas are emerging. For example, some shows attract a devout cohort of viewers who are so involved with the program that their advertising involvement is equally heightened.⁴⁷ Linking ads with the program content alleviates the low-involvement concern, and some programs invite social media activities such as posting comments, voting on discussion points, and indicating reactions. All the activities provide viewers more enjoyment from the show, however viewers directing their attention to two screens at once may not be the best solution for all advertisers and all advertising situations.

Multi-screening is the simultaneous use of multiple screens. Most investigations of this topic concern TV with a smart phone, tablet, or laptop, and the communication effects of TV ads directed to multi-screening viewers appear mixed. One study found that multi-screening led to weaker brand recognition but stronger brand attitude because of less counterarguing since the receiver did not watch the ad message intently.⁴⁸ Another study concluded that multi-screening led to stronger brand recognition and brand attitude if participating in a related task on the portable device (such as those shown in **Figure 11-19**) compared to an unrelated task. However, the communication effects for single-screen viewers remained stronger than those for multi-screening viewers.⁴⁹ A third study found similar results of stronger communication effects in favour of single-screen viewers versus multi-screening viewers, but the communication effects appeared stronger for emotional messages compared to rational messages for multi-screen viewers.⁵⁰

Clutter

The problems of short TV messages are compounded by the fact that the advertiser's message is only one of many spots and other non-programming material seen during a commercial break, so it may have trouble being noticed. One of advertisers' greatest concerns with TV advertising is the potential decline in effectiveness because of such *clutter*, and this clutter expanded considerably with the use of Internet devices while watching TV, as consumers do things like visiting a brand's website or social media pages and reading product reviews online.

Imagine counting the number of commercials, promotions for the news or upcoming programs, or public service announcements that appear during a station break and the concern for clutter becomes obvious. With all of these messages competing for target audiences' attention, it is easy to understand why the viewer comes away confused or even annoyed and unable to remember or properly identify the product or service advertised.

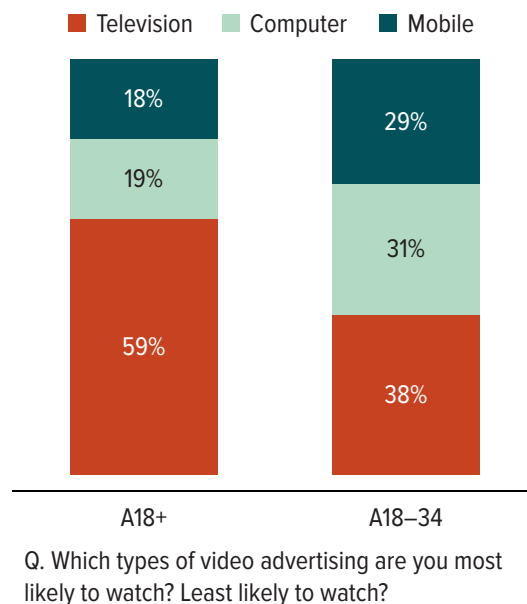
One cause of clutter is the use of shorter commercials and **split-30s**, 30-second spots in which the advertiser promotes two different products with separate messages. The CRTC permits 12 minutes of commercials per hour for specialty channels and an unlimited number of minutes for conventional channels. However, when simulcast Canadian commercials are run, there may be extra time since US TV stations often show more commercial minutes. To fill this time, Canadian stations run ads for

other shows, public service announcements, or news/entertainment vignettes. Thus, Canadian viewers sometimes experience a different kind of clutter than their American counterparts.

Media Image

To many critics of advertising, TV commercials illustrate everything that is wrong with the industry. Critics often single out TV commercials because of their pervasiveness and the intrusive nature of the medium. Consumers are seen as defenceless against the barrage of TV ads, since they cannot control the transmission of the message and what appears on their screens. Viewers dislike TV advertising when they believe it to be offensive, uninformative, or shown too frequently, or when they do not like its content.⁵¹ Studies have shown that, of the various forms of advertising, TV commercials generate the highest levels of distrust.⁵² Also, concern has been raised about the effects of TV advertising on specific groups, such as children or the elderly.⁵³ While these historic concerns are legitimate, TV appears to be the best in terms of receiving video-based messages, as the data show in **Figure 11-20**.

FIGURE 11-20 Consumer attitudes toward video-based ads by media, adults 18+



IMC Perspective 11-2 identifies issues facing the buyers and sellers of Canadian TV advertising due to the changes noted in this chapter, such as SVOD services and a greater digital presence in the delivery of TV services.

IMC PERSPECTIVE 11-2

COMPLICATIONS IN TV AD BUYING^c

Pressure from SVOD services and other factors have caused issues within conventional TV advertising. The first issue concerns smaller audiences as viewers watch video content elsewhere and rising advertising prices as broadcasters cover their fixed costs. The second complaint focuses on changing the language of buying TV advertising as it becomes digitally oriented. A third problem centres on buyers' view that broadcasters compete too much against digital in selling the merits of TV, such as its ability to achieve strong reach levels or creatively communicate.

Fourth, when will industry partners cooperate and allow data from viewers' set-top box to be aligned with Numeris data? Continuing with broadcasters' interest in a digital approach for TV advertising, the buyers' fifth criticism addressed programmatic buying with respect to whether it transfers from the Internet to TV sufficiently and whether it is an effective approach. As a sixth issue, buyers wonder if broadcasters would measure and communicate audience size for each commercial aired, as is done in other countries. The relevance of planning by cost per thousand (CPM) provided a seventh point of discussion, as CPM in TV did not correspond to CPM in other media.



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As a backdrop to these issues, broadcasters introduced new methods for selling advertising. Bell launched Data-Enhanced TV, allowing buyers to target based on age, gender, and key performance indicators to increase reach. Rogers Enhanced Data combines audience data from multiple sources to isolate more precise target audiences. Corus innovated on a number of fronts. It established the ability to target individual households with ad messages known as addressable advertising. Corus also looked to reducing its commercial pod length for certain shows or days. Corus offered the option for advertisers to insert ads within video-on-demand programs, and looked to implement a system of selling ads more simply, like online media companies.

QUESTION

1. Which issue appears to be the most contentious between TV advertising buyers and sellers?

LO3 Radio

In contrast to television, radio evolved into a primarily local advertising medium characterized by highly specialized programming appealing to very narrow segments of the population. The pervasiveness of this medium continues as radio advertising revenue hit \$1.02 billion in 2021. This section shows that radio shares similarities to TV as an advertising media, such as the types of radio advertising, the time periods, the measures of radio audiences, and the implications of listener streaming services.

TYPES OF RADIO ADVERTISING

The purchase of radio time is similar to that of television; advertisers make either network or spot buys on either AM or FM radio bands.

Network Radio

Advertisers purchase time on a radio network (e.g., TSN). Using a network minimizes the amount of negotiation and administrative work needed to get national or regional coverage, and the costs are lower than those for individual stations. However, the number of affiliated stations on the network roster and the types of audiences they reach may vary, so the use of network radio reduces advertisers' flexibility in selecting stations. National advertising revenue topped \$383 million in 2021. Syndicated radio operators offer an alternative for radio advertising by offering packages for advertising across their whole network.

Spot Radio

National advertisers purchase time on individual stations in various markets. The purchase of spot radio provides greater flexibility in selecting markets, individual stations, and airtime and adjusting the message for local market conditions. Local advertising revenue reached \$637 million in 2021. By far the heaviest users of radio are local advertisers; the majority of radio advertising time is purchased from individual stations by local companies. Auto dealers, retailers, restaurants, and financial institutions are among the heaviest users of local radio advertising.

Station Formats

The CRTC lists 719 commercial stations comprising 596 English, 97 French, and 26 other language channels, and these are broken out as 119 AM and 600 FM stations.⁵⁴ BCE, Cogeco, Corus, Rogers, and Stingray account for 302 stations, or 42% of the 719 commercial radio stations. Both network advertising and spot advertising are offered across all these format options. CBC in both languages is not a commercial radio station as no advertising time is sold.

Radio Streaming

Radio stations stream their broadcast online so an Internet listener is exposed to the same ads as the broadcast listener. About one-quarter of all English Canadians listen to a Canadian radio station this way and this level remained constant over the past decade. Streaming of radio stations is skewed more strongly to those who are aged 35–49, have a household income above \$150,000, are highly educated, and have children in the household. They stream an average of 4.7 hours per week, which is skewed more highly to women and those aged 50 and older.⁵⁵

TIME PERIODS

As with television, the broadcast day for radio is divided into time periods or dayparts. The size of the radio listening audience varies widely across the dayparts, and advertising rates follow accordingly. The largest radio audiences (and thus the highest rates) occur during the early morning and late afternoon drive times. Radio rates also vary according to the number of spots or type of audience plan purchased, the supply of and demand for time available in the local market, and the ratings of the individual station. Rate information is available directly from the stations and is summarized in Canadian Advertising Rates and Data (CARD). Some stations issue grid rate cards. However, many stations do not adhere strictly to rate cards. Their rates are negotiable and depend on factors such as availability, time period, and number of spots purchased. The majority of radio ads are 30 seconds in length; however, stations will book 60-second spots and the majority do not book 15-second spots.

MEASURING THE RADIO AUDIENCE

As noted earlier, Numeris also provides information on radio listenership using the PPM and a diary method similar to television. Surveys are done twice per year in over 130 radio markets. Numeris publishes many reports associated with these surveys. Market reports summarize each radio station's audience by occupation, language, and other important characteristics. Other similar reports with greater aggregation across regions are also published. As seen for television, Numeris provides its members with many supporting documents to understand how to use radio media. It also offers many software applications so that advertisers can purchase radio media effectively and efficiently. The three elements in the Numeris reports are similar to those found with TV: the estimated number of people listening, the percentage of listeners in the survey area population, and the percentage of the total estimated listening audience.

These three estimates are further defined by using *quarter-hour* and *cume* figures. The **average quarter-hour (AQH) figure** expresses the average number of people estimated to have listened to a station for a minimum of five minutes during any quarter-hour in a time period. This figure helps to determine the audience and cost of a spot schedule within a particular time period. **Cume** stands for *cumulative audience*, the estimated total number of different people who listened to a station for at least five minutes in a quarter-hour period within a reported daypart. Cume estimates the reach potential of a radio station. The **average quarter-hour rating (AQH RTG)** expresses the estimated number of listeners as a percentage of the survey area population. The **average quarter-hour share (AQH SHR)** is the percentage of the total listening audience tuned to each station. It shows the share of listeners each station captures out of the total listening audience in the survey area.

Audience research data on radio are limited, particularly compared with TV, magazines, or newspapers. The Numeris audience research measurement mostly focuses on demographics and a handful of lifestyle factors. Most users of radio are local companies that cannot support research on radio listening in their markets. Thus, media planners do not have as much audience information available to guide them in their purchase of radio time as they do with other media. Another source of general radio listener information is a new industry association, Radio Connects, which summarizes data from various research studies. **Figure 11-21** shows data indicating the frequency of use of radio in three main locations.

Figure 11-21 Frequency of listening audience by location and age, national, 2021–2022

Location	Total	18-34	35-49	50-64	65+
Home	26%	12%	20%	32%	44%
Work	9%	9%	11%	11%	2%
Vehicle	67%	64%	73%	74%	55%

Source: Media Technology Monitor (MTM)

AUDIO STREAMING

Audio streaming involves listening to digital audio entertainment. **Figure 11-22** indicates that the penetration rate of all online audio streaming is 73% and skewed to higher-educated listeners under 50 living in higher-income households with children. The monthly usage of 73% is up from 64% five years previously. Consumption occurs through four digital channels: 56% of Canadians listen to music on YouTube, with lower levels of listening in free and paid music streaming services (44%), online AM/FM radio streams (24%), and podcasts (30%). YouTube's rate has been stable the past five years while steaming services are up from 19% five years ago. Most people use either their phone or computer and listen for 10 hours per week on average.⁵⁶ Like TV, these online options represent radio station competition for listeners and potentially less advertising revenue. Additionally, these options possibly offer new opportunities for advertisers to deliver messages.

Figure 11-22 Listen to audio streaming past month, fall 2019

Age 18+	73%
Age 18-34	94%
Age 35-49	86%
Higher Education	80%
Higher Income	87%
Household - Children under 18	85%

Source: Media Technology Monitor (MTM)

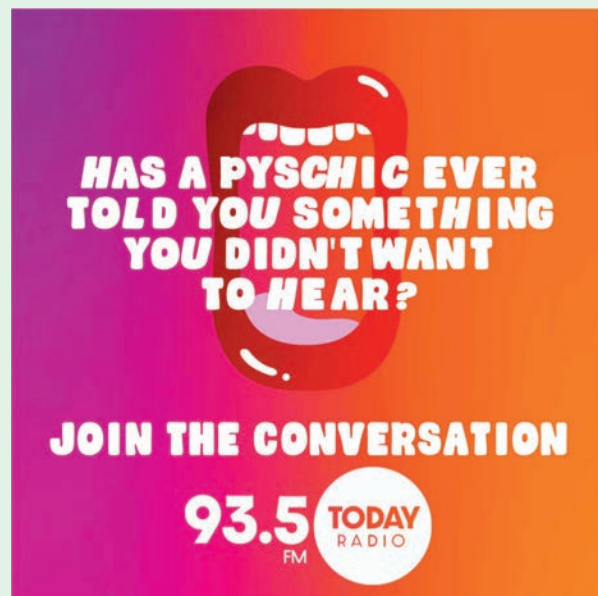
IMC Perspective 11-3 highlights trends in radio advertising that show this medium is in transition, much like all other media.

IMC PERSPECTIVE 11-3

RADIO IN TRANSITION^D

Compared to TV, radio as an advertising media held its own the past decade in the face of digital advertising competition that is not required to comply with Canadian broadcast laws because of its US-based control. TV dropped from 31% to 21% of total advertising revenue, while radio dropped from 13% to 9.5% of total advertising revenue during the 2011 to 2019 time period. In addition, radio saw its listenership drift to online music streaming and podcasts with extensive talking.

Rationalization in the industry occurred, with Bell Media making one of the more stunning moves. Early in 2021, Bell Media altered the format of its TSN sports radio stations in Vancouver, Winnipeg, and Hamilton, dropping the national lineup from seven to four stations. The Vancouver revision was particularly surprising since it placed second in TSN's listenership by attracting 254,000 listeners each week, easily surpassing its local sports competitor, and ranked sixteenth out of 19 Vancouver stations with 2.6% share. Winnipeg's station achieved similar performance with 3.8% share, ranking eleventh out of 14 stations, and left the market vacant of sports radio. The two stations moved on from sports to become funny stations, a place where advertisers could connect with affluent, socially active adults through comedy.



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In Toronto, Stingray altered their 20-year-old hip-hop and R&B station to Today Radio. The new format offers a variety of music that everyone likes no matter the genre. It also offers conversation between the songs! Today Radio envisioned relaxed office lunchroom chat or water-cooler banter of fun and interesting conversations. Inspiration for the new format arose from conversations occurring on social media platforms like Reddit, and a lack of innovation in radio station formats that stuck with established music genres the past couple of decades. While talk-radio entailed conversation, it trended toward polarizing debates without relaxation. Enter Today Radio with its unique differentiation format—fun music and conversation—a new radio direction in the Internet era.

Radio's advertising revenue through streaming of a station's broadcast achieved a reasonable level recently, and one radio media company adopted technology used

in online digital ad placement. Pattison implemented a Dynamic Ad Insertion (DAI) system that provided advertisers with greater target audience selectivity. The system allows advertisers to deliver specific messages to audiences based on behavioural metrics, adjust the delivery based on performance, and quickly expand a local campaign to regional or national levels. Pattison expects the technology to provide good information to advertisers regarding the dedicated listeners who opt in for audio streaming.

QUESTION

1. What future direction do you see for radio based on these three trends?

LO4 Evaluating Radio

Radio is an important advertising medium because of its ability to inform consumers of factual information and influence them with rational appeals that facilitate their shopping needs. Consumers feel radio keeps them connected: locally with important information, socially with radio personalities, musically with ideas for listening not considered, and conveniently with no online search hassles. **Figure 11-23** summarizes the relative strengths and limitations of radio compared to other media. The media characteristics and media usage characteristics correspond to those identified in **Figure 10-4**. The strengths are highlighted in bold, and this section reviews the strengths in order, and then the limitations in order.

Figure 11-23 Summary of Evaluating Radio

Media Characteristics	Media-Usage Characteristics
Target audience selectivity	Control for selective exposure
Target audience coverage	Attention
Geographic coverage	Creativity for cognitive responses
Scheduling flexibility	Creativity for emotional responses
Reach	Amount of processing time
Frequency	Involvement
Absolute cost per placement	Clutter
Relative cost per exposure	Media image

STRENGTHS OF RADIO

Radio has many strengths compared to other media, including target audience selectivity, geographic coverage, scheduling flexibility, reach and frequency, absolute and relative cost, creativity for cognitive responses, and media image.

Target Audience Selectivity

One major advantage of radio is the high degree of audience selectivity available through program formats and geographic coverage of numerous stations. Radio lets companies focus their advertising on specialized audiences such as demographic and lifestyle groups with music formats such as easy listening, pop, rock, classical, jazz, country, and news/talk shows, to name a few. Numeris tracks radio listeners across 20 different radio formats, and overlaying radio format listening data with segmentation variables allows advertisers to accurately target their messages. One interesting development is GM's three-month test of tracking drivers' listening habits, with their permission, using the car's Wi-Fi to investigate the possibility of more precise target audience selectivity for advertisers.⁵⁷

Geographic Coverage

Radio is essentially a local medium. In this respect, since all listeners can tune in, it offers excellent coverage within its geographic scope. Radio stations become an integral part of many communities, and the program hosts regularly become popular figures. Advertisers use radio stations and personalities to enhance their involvement with a local market and to gain influence with local retailers. Radio also works very effectively in conjunction with place-based/point-of-purchase promotions. Retailers use on-site radio broadcasts combined with special sales or promotions to attract consumers to their stores and get them to make a purchase. Live radio broadcasts are also used in conjunction with event marketing. Recent Numeris research finds greater radio listening in small and medium-sized cities compared to large cities.

Scheduling Flexibility

Radio is probably the most flexible of all the advertising media because it has a very short closing period, which means advertisers can change their message almost up to the time it goes on the air. Radio commercials can usually be produced and scheduled on very short notice. Radio advertisers can easily adjust their messages to local market conditions and marketing situations.

Reach and Frequency

The low cost of radio means advertisers build more reach and frequency into their media schedule within a certain budget. They use different stations to broaden the reach of their messages and multiple spots to ensure adequate frequency. Radio commercials are produced more quickly than TV spots, and the companies can afford to run them more often. Many national advertisers also recognize the low CPM of radio and use it as part of their media strategy. **Figure 11-24** indicates the degree of reach compared to other audio sources for listening entertainment.

Figure 11-24 Percentage weekly reach of audio sources

	Adults 18+	Adults 18–34	Adults 25–54	Adults 18–49
Radio—AM/FM	86%	75%	87%	82%
Streaming—Ads	24%	41%	30%	35%
Streaming—No Ads	21%	39%	28%	32%
Podcast	13%	21%	17%	18%

Source: *Audio Updates*, Radio Connects, 2021.

Absolute and Relative Cost

One of the main strengths of radio as an advertising medium is its low cost. Radio commercials are very inexpensive to produce. They require only a script of the commercial to be read by the radio announcer or a copy of a prerecorded message that can be broadcast by the station. The cost for radio time is also low. The low relative costs of radio make it one of the most efficient of all advertising media, and the low absolute cost means the budget needed for an effective radio campaign is often lower than that for other media.

Creativity for Cognitive Responses

The verbal nature of radio ads makes them ideal for long copy to select target audiences who may appreciate greater detailed information for some products. Alternatively, radio ads can also provide more concise brand information in a timely manner. Moreover, both of these factors are highly relevant for those listening in their car, which is a significant percentage of radio listenership. In either case, the informative nature of radio advertising makes it an opportunistic medium to connect with a target audience on a more rational level. **Figure 11-25** shows the effects of these cognitive responses manifested as behaviour after listening.

Figure 11-25 Action motivated from radio ads

	Adults 18–34	Adults 35–54	Adults 55+
Obtain information online	29%	34%	25%
Tell someone	29%	18%	12%
Purchase	14%	12%	10%

Source: *An Audio Update*, Radio Connects, 2021.

Media Image

Consumers rely on radio for news, weather, and traffic information, not to mention the obvious program content. Radio has a good image in terms of entertainment, relaxation, lifting people's moods, and keeping them up to date on news and gossip. Radio advertising in general has a good media image. For example, 55% of people report appreciating and trusting radio ads.⁵⁸

LIMITATIONS OF RADIO

Several factors limit the effectiveness of radio as an advertising medium, including target audience coverage, control for selective exposure, listener attention, creativity for emotional responses, amount of processing time, involvement, and clutter. The media planner considers them in determining the role the medium will play in the advertising program.

Target Audience Coverage

A problem with radio is the high level of audience fragmentation due to the large number of stations. The percentage of the market tuned to any particular station is usually very small. The top-rated radio station in many major metropolitan areas with a number of AM and FM stations may attract less than 10% of the total listening audience. Advertisers that want a broad reach in their radio advertising media schedule have to buy time on a number of stations to cover even a local market. With recent media mergers in Canada, syndicated radio stations now provide advertisers with greater coverage, thus reducing this limitation.

Control for Selective Exposure

Listeners control their exposure to radio ads by switching stations or turning off the radio, which is more conveniently done while in a vehicle due to the controls being at the driver's fingertips. Past research over several decades estimated this mechanical radio ad avoidance at 10%, but it ranged considerably due to different research methods. A study using electronically recorded Numeris data estimated a new benchmark for radio avoidance at 3% across all dayparts throughout the year. Thus, control for selective exposure is a limitation, but its negative effects for advertisers is quite minimal.⁵⁹

Listener Attention

Another problem that plagues radio is that it is difficult to retain listener attention to commercials. Radio programming, particularly music, is often the background to some other activity and may not receive the listeners' full attention; thus they may miss all or some of the commercials. This is slightly less of a concern because radio is with consumers throughout the day while they do many activities. Advertisers use creativity in radio ads to minimize the effects of listener attention.

Creativity for Emotional Responses

A major drawback of radio as an advertising medium is the absence of a visual image. The radio advertiser cannot show the product, demonstrate it, or use any type of visual appeal or information. While the creative options of radio are limited, advertisers take advantage of the absence of a visual element to let consumers create their own picture of what is happening in a radio ad. These messages encourage listeners to use their imagination when processing the words, music, and sound effects.

Radio may reinforce a message received from another media such as television. **Image transfer** occurs where the images of a TV commercial are implanted into a radio spot. First, the advertiser establishes the video image of a TV commercial. Then, a similar—or even the same—audio portion is used in the radio spot. The audio could be the exact same speaker, jingle, or music that occurs in both the TV and the radio executions. Receivers of the radio ad recall the images from the TV commercial as the audio portion is recognized and associated with the TV images. While the idea of image transfer originated with a TV to radio sequence, it can be applied for any visual media to any audio media. For example, a video ad message disseminated in social media could have corresponding audio components in an ad message embedded within a podcast.

Amount of Processing Time

A radio commercial is, like a TV ad, a short-lived and fleeting message that is externally paced and does not allow the receiver to control the rate at which it is processed.

Involvement

Similar to television, radio is generally considered a low-involvement medium since it is faced with the same characteristics of short processing time and clutter. In fact, it may be seen as being less involving because it has the additional limitation of no visual.

Clutter

Clutter is a problem with radio as with other advertising media. Radio stations can play as many minutes of advertising as they like. Most radio stations carry an average of nearly 10 minutes of commercials every hour. During the popular morning and evening rush hours, the amount of commercial time may exceed 12 minutes. As with other media, advertisers create commercials that break through the clutter or use heavy repetition to make sure their messages reach consumers.

LO5 IMC Planning: Strategic Use of Broadcast Media

This IMC planning section relates the use of TV and radio to achieving communication and behavioural objectives in general and in terms of the different stages of the consumer decision-making process for the target audience. This builds on discussions in earlier chapters and highlights the importance of planning creative and media together.

TELEVISION

The creative opportunities associated with the many types of television advertising allow it to influence many stages of the decision-making process for the target audience. It is important to link the different types of ads with communication objectives and decision-making processes because the integration of television with other media or tools is predicated upon which types of TV ads will be run. For example, the suggestion to combine TV with Internet advertising, an event sponsorship, or perhaps out-of-home media is contingent on how the two media are planned to influence the target audience. As promotional planners decide upon TV as part of their IMC plan, it is critical to consider its communication objectives in relation to the objectives the other tools will contribute.

Promotional managers plan for ads to influence their target audience at the prepurchase and need recognition stages. These kinds of ads could focus on one key benefit or consumption experience, and identify the brand sufficiently to contribute to awareness. For example, some car ads fit this role quite nicely, like the commercials positioning the Toyota Corolla as a reliable vehicle. The plan included other media to encourage further progress through the decision-making process. In this case, the Corolla utilized newspaper advertising for additional explanation and support of the reliability (e.g., information search), and transit station posters as a reminder for a test drive (e.g., purchase decision). For Corolla, the media selection, including television, planned a particular role for each selection to encourage all aspects of the decision-making process, each with particular attitudinal communication objectives.

Alternatively, marketers provide a television message with information to influence their target audience while evaluating alternative brands. WestJet ads communicated the enhanced service level compared to its previous discount offering to encourage Air Canada consumers to switch; this message would be critical at the alternative evaluation stage. The many executions showed the variety of customer experiences enhanced by the commitment level of the staff to serve customers in an exemplary manner.

Finally, planners schedule ads to achieve a more immediate purchase intention objective for the target to take action. An additional type of car ad communicates a promotional event or encourages a dealer visit for a test drive. Virtually all car brands resort to TV ads like this, yet the intensity of the “call to action” and the frequency vary considerably. When these ads are run, car brands typically are not running other types of TV ads but might have instructions to consult the newspaper for additional information. Another example from the social marketing realm is the United Way of Toronto’s TV ads that showed a “helping hand” in two different scenarios with a verbal message requesting donations and the Internet address shown visually.

RADIO

While all media are inherently in competition for advertising revenue spent by media planners, radio finds itself with a very significant niche of flexibility that allows it to be in the plans for national brands like Bell and for local advertisers like the pizzeria just around the corner. Moreover, the characteristics of the medium allow planners to integrate radio with virtually any other media or IMC tool.

Whether it is consumers of a national advertiser like Bell or a local business, often the purchase decision stage is the one where maximum influence occurs. For example, radio messages communicate a time frame for encouraging purchase through participation with a price promotion. Retailers use radio extensively for various sales, for instance. Alternatively, other radio messages remind the target audience of entertainment and leisure activities occurring in the city or province within a time frame requiring more immediate action. In these situations, the key communication objective attained is brand purchase intention. As noted from these points, the scheduling flexibility of radio permits attainment of particular communication objectives or messaging consumers exactly when they are planning to make a purchase decision.

The lower costs associated with radio contribute to building brand equity or an identifiable positioning through the affordability of repetition. An example of this is the prevalent use of radio by Sleep Country Canada, with owner Christine McGee as the spokesperson. The radio ads give the central positioning as a leading mattress retailer much added frequency beyond its television commercials, thus indicating a natural way to build brands by integrating a consistent message across two broadcast media.

Radio's flexibility and cost implications allow it to support other IMC tools. It can suggest that the target audience visit a brand's Internet site or look for a direct mail piece sent to their home—again, both are action-oriented with a time frame—or with some kind of intention on the part of the receiver of the message.

As noted above with price promotions, many other sales promotions can be communicated through radio, particularly those affiliated with sponsorship. Radio can be a key integrating medium to generate awareness of the other IMC tools for further communication in the target audience's decision making.

Learning Objectives Summary

LO1

Describe television media regarding its delivery, types of TV advertising, time periods and programs, and audience measurement, and streaming.

Television is a system of affiliated stations belonging to a network, as well as individual stations, which broadcast programs and commercial messages. Advertising is done on national or regional network programs or purchased in spots from local stations. The growth of specialized stations offers advertisers niche audiences and stronger selectivity. Television advertising is time dependent rather than space-oriented like print advertising. Advertisers select the program, time, day, week, and month when buying ad time.

Information regarding the size and composition of national and local TV audiences is provided by Numeris Canada. The amount of money a network or station charges for commercial time on its programs is based on its audience measurement figures. This information is also important to media planners, as it is used to determine the combination of shows needed to attain specific levels of reach and frequency with the advertiser's target audience.

LO2

Summarize the strengths and limitations of television as an advertising medium.

Television is a pervasive medium in most consumers' daily lives and offers advertisers the opportunity to reach vast audiences with very frequent messages. Over the past 60 years, national and local advertisers employed TV as their leading medium. No other medium offers its creative capabilities; the combination of sight, sound, and movement gives the advertiser a vast number of options for presenting a commercial message. As a primary medium for these advertisers, the creative opportunities of television contribute to the brand's awareness and help in establishing or maintaining a brand's position. Television also offers advertisers mass coverage at a low relative cost. Variations in programming and audience composition are helping TV offer scheduling opportunities and some audience selectivity to advertisers.

While television is viewed as the ultimate advertising medium, it has limitations, including the high absolute cost of producing and airing commercials, low target audience selectivity, short processing time, extensive clutter, high selective exposure, and distrustful image. Despite these concerns, consumers generally appreciate brands more if they are advertised on television because the expenditure signals a stronger and more reputable brand.

LO3**Describe the types of radio advertising, time periods, and audience measurement.**

As with TV, the rate structure for radio advertising time varies with the size of the audience delivered. It differs from television in that purchases are not tied to individual shows or programs. Instead, packages are offered over a period of days, weeks, or months. The primary source of listener information is Numeris. The new PPM technology for television works with radio as well, although the diary method remains for smaller radio markets.

LO4**Summarize the strengths and limitations of radio as an advertising medium.**

Radio is an entertainment and advertising medium that offers highly specialized programs appealing to narrow segments of the primarily local market. Radio offers strengths in terms of absolute and relative cost, reach and frequency, target audience selectivity, geographic coverage, scheduling flexibility, creativity for cognitive responses, and media image. The major drawback of radio is its weak creativity owing to the absence of a visual image. The short and fleeting nature of the radio commercial, the highly fragmented nature of the radio audience, low involvement, and clutter are also problems.

LO5**Apply the media knowledge of TV and radio for strategic IMC decisions.**

TV and radio still command \$4.5 billion in advertising revenue and remain very good media for attaining broad reach and frequency objectives to achieve or maintain brand awareness and establish or reinforce existing brand image perceptions. No doubt these media feel pressure from Internet media and the use of personal devices to watch streaming video services and listen to music; however, creative advertising in these media with the right connections to digital brand exposure makes them a strong part of major brands' advertising.

Review Questions

1. "Television is a mass medium that offers little selectivity to advertisers." Do you agree with this statement? What are the ways selectivity can be achieved through TV advertising?
2. Discuss the strengths of television as an advertising medium and the importance of these factors to major national advertisers and to smaller local companies.
3. Discuss the methods used to measure radio audiences. Do you think the measurement methods used for each are producing reliable and valid estimates of the viewing audiences?
4. What are the strengths and limitations of advertising on radio? What types of advertisers are most likely to use radio?
5. How can TV best be used to work with social media?

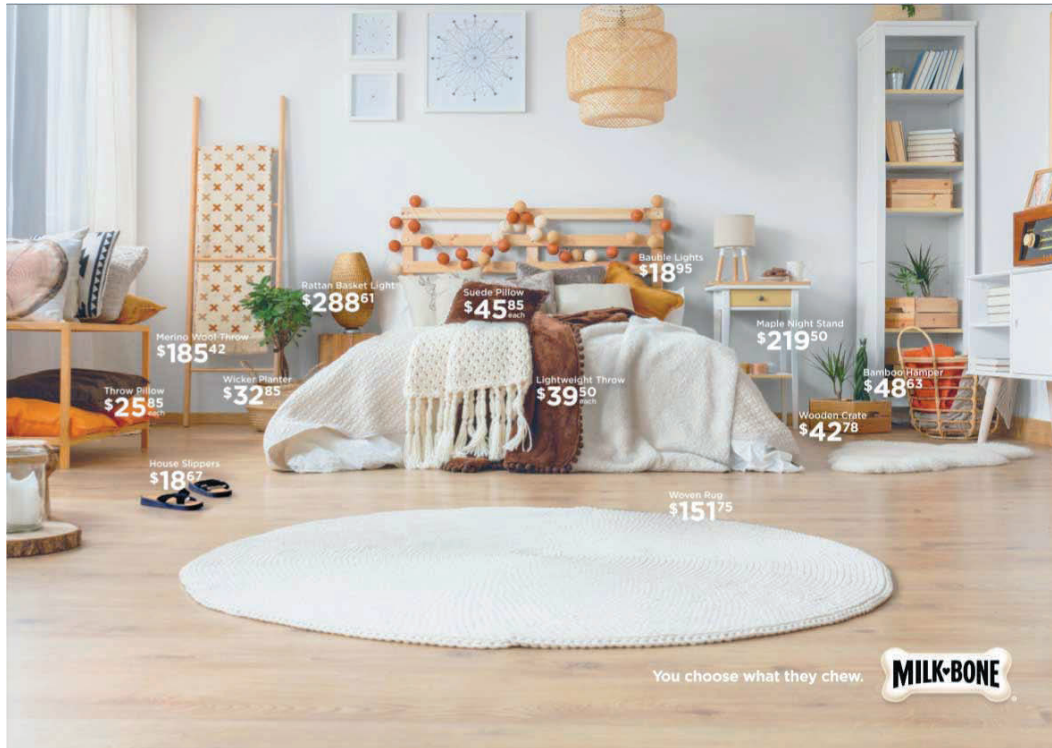
Applied Questions

1. Watch a show on TV and make notes on what ads are shown. Find the equivalent show on the network's website and make notes on what ads are shown. What similarities and differences do you notice?

2. Watch TV or listen to the radio and make note of whether the ads direct the receiver to any aspect of digital media (e.g., a social network).
3. Listen to the radio and make notes on what ads are aired. What similarities and differences do you notice in comparison to TV advertising?
4. Listen to a radio station and pay attention to the ads to assess whether any overcome the limitation of a lack of creativity for emotional responses.
5. How can radio best be used to work with social media?

CHAPTER TWELVE

Print Media



Milk-Bone/Leo Burnett Canada

LEARNING OBJECTIVES

- LO1** Identify the different types of magazines available for advertising, how circulation and readership levels are determined, how audience size and its characteristics are measured, and the factors that influence advertising rates.
- LO2** Evaluate the strengths and limitations of magazines as an advertising medium.
- LO3** Identify the types of newspapers offered for advertising, how circulation and readership levels are determined, how audience size and its characteristics are measured, and how advertising rates are determined.
- LO4** Evaluate the strengths and limitations of newspapers as an advertising medium.
- LO5** Apply the media knowledge of magazines and newspapers for strategic IMC decisions.

Creative Print Ads^A

Despite the decline in advertising revenue devoted to print magazines and print newspapers, advertisers and their agencies continue to put out top quality creative to persuade a target audience. We cite multiple winners of marketing awards that demonstrated creative use of print media.

Milk-Bone communicated the benefit of their products with a clever visual and phrase, “You choose what they chew,” to persuade owners to buy their dog treats. A decorated living room with price tags on all the items indicated the potential cost if an owner chose not to buy the product. The moving day campaigns for McDonald’s described in **IMC Perspective 8-2** included newspapers in addition to out-of-home media to deliver the message. Its clever creativity is recognized on its own for originality and for its excellent media placement.

For years, the advertising for Ontario Lottery Gaming’s Lotto 6/49 communicated the feeling of actually winning, and then they transitioned to the anticipation of winning when buying a ticket. Its newspaper ads visually illustrated the excitement with three executions: a rolling pin about to go over bubble wrap, a Mentos parachuting into a cola, and an unstable Jenga stack.

Newspaper ads for Farnham celebrated the meaning of the word “bitter” that is associated with the microbrewery’s beer with situations in which one might feel bitter and in need of a beer. The imagery showed the bronze beer in a glass with what looked like foam on top, however in the executions the foam was revealed to be a car snowed under, a white sofa clawed by a cat, and a fallen bride.

Another newspaper campaign for Farnham played on the foam and bitter angle as well. Three executions showed what people imagined with a foam bubble over their head, much like a comic strip. In one execution, it showed three images of a boy holding a soccer ball while dreaming of winning the championship with a golden soccer ball in the foam bubble. In the fourth image, the grown-up boy holds his business report and is only dreaming of Farnham beer, represented by an empty foam bubble.

Question

1. What creative strategy and creative tactics are effectively used in these print media award winners?

Magazines are published in Canada and throughout the world and appeal to numerous consumer interests and lifestyles, businesses, and occupations. Magazines are therefore a highly specialized medium that reach specific target audiences. Newspapers are a primary advertising medium in terms of both ad revenue and number of advertisers and are important for both local retail advertisers and large national advertisers. Print differs from broadcast media because detailed information is presented, allowing readers to process ad messages at their own pace. Print media are not intrusive like radio and TV, and they generally require the reader’s effort for advertising message exposure to occur.

This chapter describes both print mediums in two parts with a similar structure. First, the chapter describes the types of magazines and newspaper media that advertisers select within their media strategy, how advertisers buy magazines and newspaper media, and how audiences are measured and evaluated. It then summarizes the specific strengths and limitations for each media. The IMC planning section explains how advertisers use magazines and newspapers as part of their advertising and media strategies.

LO1 Magazines

Magazines serve the educational, informational, and entertainment needs of a wide range of readers and are a specialized advertising medium. While certain magazines are general interest publications, most are targeted to a very specific audience. There is a magazine designed to appeal to nearly every type of consumer in terms of demographics, lifestyle, activities, interests, or fascination. Magazines are targeted toward specific industries and professions as well. Magazine advertising attained \$73 million in 2021, down from a peak of \$496 million in 2011. This section reviews different types of magazines, circulation and readership information, and magazine advertising rates to understand how to plan for magazine advertising placement.

CLASSIFICATIONS

To gain perspective on the types of magazines available and the advertisers that use them, consider the way magazines are classified. Canadian Advertising Rates and Data (CARD), the primary reference source on periodicals for media planners,

divides magazines into four broad categories based on the audience to which they are directed: consumer, business, farm, and ethnic publications. Each category is then further classified according to the magazine's editorial content and audience appeal. Some foreign publications are also an advertising opportunity for Canadian advertisers.

Consumer Publications

Consumer magazines are bought by the general public for information and/or entertainment. CARD divides 492 domestic consumer magazines into classifications such as general interest, city/regional, lifestyle, home/garden, sports, women, and travel. **Figure 12-1** tabulates the most popular topics by number of publications, which accounts for 70% of all consumer titles. CARD lists 401 English and 104 French publications, with dual language overlap. This list demonstrates that consumer magazines are suited to marketers interested in reaching a wide variety of consumers. In fact, CARD lists many other editorial categories with less frequency.

Figure 12-1 Top editorial publications

Editorial Category	Total	English	French
General Interest	47	41	8
City/Regional	44	41	4
Lifestyle	41	37	5
Home/Garden	31	26	6
Sports	31	22	9
Women	25	16	7
Travel	24	20	7
Food/Beverage	20	11	8
Auto/Cycle	17	13	4
Mature Market	16	12	3
Health/Fitness	15	9	5
Family	14	12	1
Entertainment	11	9	3

Source: Canadian Advertising Rates Data, 2022

EXHIBIT 12-1 TaylorMade ads appeal well in specialty golf magazines.



Source: TaylorMade Golf Company, Inc.

National advertisers tend to dominate consumer magazine advertising in terms of expenditures in larger circulation magazines. Consumer magazines are important to smaller companies selling products that appeal to selective audiences and reach consumers with special-interest magazines. These publications assemble consumers with similar lifestyles or interests and offer media planners an option with minimal excessive coverage. For example, a manufacturer of ski equipment (e.g., Salomon) might see *Ski Canada* magazine as an ideal vehicle for advertising to serious skiers. Not only are specialty magazines of value to firms interested in reaching a specific market segment, but their editorial content creates a positive advertising environment for relevant products. For example, the TaylorMade ad in **Exhibit 12-1** fits well in a specialty golf magazine for someone at the information search or alternative evaluation stage of their decision-making process.

As described in the opening vignette, digital expansion of magazines provides greater overall reach for individual magazine titles. With the transi-

tion to another media format, new advertising decisions emerged but many advertising placement decisions in a digital magazine are consistent with a published paper magazine. Magazines with digital presence reported stronger overall readership as duplication levels across the website or app versus the printed version appeared minimal. Magazines as owned media occurs periodically. Loblaw has published its *Insiders Report* for 30 years and stopped for a decade with the growth of digital communication. It reintroduced the paper publication in 2021 with many digital features like QR codes and a 3-D hologram.¹

Business Publications

Much marketing occurs at the trade and business-to-business level, where one company sells its goods or services directly to another. Business publications are important to advertisers for reaching the specific types of individuals who constitute their target audience and work within one of these businesses. These publications provide businesspeople with important information relevant to their industry. CARD lists 476 business publications that are customized for specific professions or occupations, industries, trades, or general business.

- Magazines directed to professional groups, such as *Canadian Lawyer* for lawyers and *Canadian Architect* for architects.
- Industrial magazines directed to businesspeople in manufacturing and production industries—for example, *Process Equipment and Control News* and *Heavy Construction*.
- Trade magazines targeted to wholesalers, dealers, distributors, and retailers, among them *Canadian Grocer*.
- General business magazines aimed at executives in all areas of business, like *Canadian Business*.

Farm Publications

The third CARD category consists of magazines directed to farmers and their families. About 68 publications are tailored to nearly every possible type of farming or agricultural interest (e.g., *Ontario Milk Producer*, *Ontario Produce Farmer*). CARD groups farm publications into general, livestock, crops, dairy, and community. A number of farm publications are directed to farmers in specific provinces or regions, such as *Alberta Beef*. Farm publications are not classified with business publications because historically farms were not perceived as businesses.

Ethnic Publications

A fourth CARD category is a list of 61 magazines directed to people with various ethnic backgrounds. Many are written in English and French, along with other languages such as Arabic, Chinese, Spanish, Punjabi, Greek, Romanian, and Russian. Some of these publications have low circulation figures or do not have an authenticated circulation. Thus, the cost of advertising in these publications is low.

CIRCULATION AND READERSHIP

Two important considerations in deciding whether to use a magazine in the advertising media plan are the size and characteristics of the audience it reaches. Media buyers evaluate magazines on the basis of their ability to deliver the advertiser's message to as many people as possible in the target audience. To do this, they consider the circulation of the publication as well as its total readership, and match these figures against their target audience characteristics. Related to these two points, magazines are sold by frequency (weekly, monthly, bimonthly) and by distribution (subscription, store distribution, digital, controlled [free]), which can influence the circulation and readership numbers.

Circulation

Circulation figures represent the number of individuals who receive a publication through either subscription or store purchase, or on a controlled-circulation basis. Given that circulation figures are the basis for a magazine's advertising rates and one of the primary considerations in selecting a publication for placement, the credibility of circulation figures is important. Most major publications are audited by the Alliance for Audited Media (AAM), a North America-wide organization founded in 1914 and sponsored by advertisers, agencies, and publishers. AAM collects and evaluates information regarding the subscriptions and sales of magazines and newspapers to verify their circulation figures. **Figure 12-2** shows the circulation of a representative title from each of the top editorial content categories.

AAM provides media planners with reliable figures regarding the size and distribution of a magazine's circulation, which helps them evaluate its worth as a media vehicle. The AAM statement also provides detailed circulation information that gives a media planner an indication of the quality of the target audience. For example, it shows how the subscription was sold, the percentage of circulation sold at less than full value, the percentage of circulation sold with an incentive, and the percentage of subscriptions given away. Many advertisers believe that subscribers who pay for a magazine are more likely to read it than are those who get it at a discount or for free. Media buyers are generally skeptical about publications whose circulation figures are not audited and will not advertise in unaudited publications. Circulation data, along with the auditing source, are available from CARD or from the publication itself. AAM also certifies **controlled circulation** (i.e., free) magazines. For example, about 500,000 copies of *Food & Drink* are distributed in Ontario liquor stores.

Figure 12-2 Circulation distribution

Editorial Content	Publication Title	Circulation
General Interest	<i>Canadian Geographic</i>	91,433
City/Regional	<i>Toronto Life</i>	61,645
Lifestyle	<i>Nuvo</i>	48,758
Home/Garden	<i>Canadian House & Home</i>	227,725
Sports	<i>Ski Canada</i>	25,400
Women	<i>Canadian Living</i>	159,040
Travel	<i>Dreamscapes</i>	71,450
Food/Beverage	<i>Food & Drink</i>	511,460

Source: Canadian Advertising Rates Data, 2022

Readership

Advertisers are interested in the number of people a publication reaches as a result of secondary, or pass-along, readership. **Pass-along readership** occurs when the primary subscriber or purchaser gives a magazine to another person or when the publication is read in other locations (e.g., doctors' waiting rooms). Advertisers generally attach greater value to the primary in-home reader than the pass-along reader or out-of-home reader, as the former generally spends more time with the publication, picks it up more often, and receives greater satisfaction from it. Thus, this primary reader is more likely to be attentive and responsive to ads, although secondary readers are valuable since they expand a magazine's reach.

The **total audience**, or **readership**, of a magazine is calculated by multiplying the **readers per copy** (the total number of primary and pass-along readers) by the circulation of an average issue. For example, a magazine with a circulation of 150,000 and 10 readers per copy has a total audience of 1.5 million. The readers per copy is estimated from market research data. Since it is an estimate, media planners are advised to assess its accuracy when deciding how much actual reach is attained with total readership.

Magazines Canada is an industry association representing hundreds of titles. It provides information services for its members, and promotes magazines to advertisers as worthy media for advertising placement. One may find readership data there or on the websites or media kits of individual magazine titles. Vividata provides readership information to media planners, and its data estimates the number of readers per copy. A reasonable benchmark for readers per copy is six, which is the average from a reasonably large database.²

ADVERTISING RATES

Magazine rates are primarily a function of circulation; the greater the circulation, the higher the cost of the ad. Ads in controlled-circulation magazines are generally cheaper than ads in paid circulation magazines. Ad rates for digital magazines are generally sold on a cost-per-thousand (CPM) basis and use combinations of magazine formats and digital advertising formats.

Rates for Print Magazines

Advertising space is sold on the basis of space units, such as full-page, half-page, quarter-page, or double-page spread (two facing pages); a greater cost is incurred for ads requiring more space. Rates for magazine ad space vary by the number of times an ad runs and the amount of money spent during a specific period. The more often an advertiser contracts to run an ad, the lower the space charges. Volume discounts are based on the total space purchased within a contract year, measured in dollars or number of insertions. The following table from CARD shows the cost per colour ad (i.e., known as full-page four colour or FP4C) per month by size and the number of times inserted (i.e., ti) for *Ski Canada Magazine*, which publishes four issues per year.³

	1 ti	2 ti	3 ti	4 ti
Full page	\$5,190	\$4,930	\$4,411	\$4,152
Double page spread	\$9,341	\$8,874	\$7,940	\$7,473
2/3 p.	\$4,307	\$4,092	\$3,661	\$3,446
1/2 p.	\$3,477	\$3,303	\$2,955	\$2,782
1/3 p.	\$2,335	\$2,219	\$1,985	\$1,868

Other variables that increase the cost of an ad include its position in the publication, the particular editions (geographic, demographic) chosen, any special mechanical or production requirements, and the number and frequency of insertions. *Ski Canada Magazine* charges an additional 20%, 15%, and 25% for ad placement on inside front cover (IFC), inside back cover (IBC), and outside back cover (OBC), respectively, and charges an extra 10% for position requests. The CARD listing for *Ski Canada Magazine* shows an audited paid circulation of about 25,400. The cost per thousand is about \$204 for a one-page ad (\$5,190/25.4). At three readers per copy, the cost per thousand approaches \$68 (\$204/3).

Ads can be produced or run using black and white, black and white plus one colour, or four colours. The more colour used in the ad, the greater the expense because of the increased printing costs. Colour ads are so prominent in magazines that many do not even quote a non-colour cost in their CARD listing. Recall and action taken are stronger with colour ads versus non-colour ads. Larger ads produce stronger recall and action taken. For example, a full-page ad can have 20% stronger communication effects.⁴ Ads placed inside the front cover, inside the back cover, and outside the back cover yield 15%, 10%, and 20% stronger recall than a regularly placed ad.⁵

Rates for Digital Magazines

Ski Canada Magazine charges a monthly rate for five types of display ads ranging from \$300 to \$1,600.⁶ The CPM for the most expensive ad purchase is about \$50 (\$1,600/32) and the least expensive ad purchase is approximately \$9 (\$300/32). These calculations can be compared to other online titles that sell their ad space on a CPM basis. Note that these rates pertain to a website version of its digital content and CARD does not report a digital magazine for *Ski Canada*. The media kit cites Google data and claims 32,000 unique visitors per month, 70,000 page views per month, and a visit length of three minutes. In contrast, *Maclean's* news magazine offers both a print magazine and a digital magazine and charges the same rates for either option. Its rate structure is like other magazines with options for sizes and locations, as shown in the *Ski Canada* table above. This approach is consistent with other well-known titles from other print media owners.

LO2 Evaluating Magazines

This section evaluates magazines as an advertising media option for media planners. **Figure 12-3** summarizes the relative strengths and limitations of magazines compared to other media. The media characteristics and media usage characteristics correspond to those identified in **Figure 10-4**. The strengths are highlighted in bold, and this section reviews the strengths in order, and then the limitations in order. Astute readers will acknowledge that each evaluation represents a generalization across all classifications of magazines and that exceptional anomalies likely exist.

Figure 12-3 Summary of Evaluating Magazines

Media Characteristics	Media-Usage Characteristics
Target audience selectivity	Control for selective exposure
Target audience coverage	Attention
Geographic coverage	Creativity for cognitive responses
Scheduling flexibility	Creativity for emotional responses
Reach	Amount of processing time
Frequency	Involvement
Absolute cost per placement	Clutter
Relative cost per exposure	Media image

STRENGTHS OF MAGAZINES

Magazines have a number of characteristics that make them attractive for advertisers. Strengths of magazines include their target audience selectivity, geographic coverage, control for selective exposure and attention, creativity for cognitive and emotional responses, amount of processing time and reader involvement, and media image.

Target Audience Selectivity

One main advantage of using magazines is their **selectivity**, or ability to reach a specific target audience. Magazines are the most selective of all media except direct communication where the receiver's identity is known (e.g., addressed direct mail). Most magazines are published for readers with very specific reading requirements. The magazines reach all types of consumers and businesses and allow advertisers to target their advertising to groups that are consistent with their segmentation strategies along the lines of demographics, socioeconomic, and lifestyle (e.g., activities and interests). For example, *PhotoLife* is targeted toward camera buffs, while *Exclaim!* appeals to those with an avid interest in music.

EXHIBIT 12-2 *Chatelaine* allows for demographic selectivity.



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One Canadian success story is the lifestyle magazine *Nuvo*, a refined publication (non-paid circulation) catering to the very affluent who appreciate a refined lifestyle of luxury. It claims to be Canada's premier lifestyle magazine with an audited circulation hitting 50,000.⁷ Homeowners interested in decoration and renovation ideas can select *Canadian House and Home*, with an audited circulation of 228,000. A full-page add costs about \$24,000, resulting in a CPM of \$105. This is one of Canada's largest special-interest magazines with a paid circulation. A readership of 2.1 million implies nine readers per copy, resulting in a CPM per reader just under \$12, a good balance of selectivity and low relative cost for advertisers of household decor.⁸

In addition to providing selectivity based on interests, magazines provide advertisers selectivity by other means. *Demographic selectivity*, or the ability to reach specific demographic groups, is available in two ways. First, most magazines are, as a result of editorial content, aimed at fairly well defined demographic segments. *Canadian Living* and *Chatelaine* (Exhibit 12-2) are read predominantly by women; *The Hockey News* is read mostly by men. Older consumers can be reached through publications like *FiftyPlus*. Second, selectivity can be applied effectively by tailoring the message by language since Canada naturally has magazines written in both English and French. Furthermore, publications in other languages permit additional targeting capabilities. *Geographic selectivity* occurs with magazines that offer a *geographic split run* where one region receives one message and another receives a different message.

Two technological developments—selective binding and ink-jet imaging—allow *individual selectivity* so advertisers can deliver personalized messages to targeted audiences. **Selective binding** is a

production process that allows a magazine to send different editorial content and/or advertising messages within the same publication issue to groups of subscribers. **Ink-jet imaging** reproduces a message by projecting ink onto paper and makes it possible to personalize an advertising message. These innovations permit advertisers to target their messages more finely and let magazines compete more effectively with direct mail and other direct-marketing vehicles.

Geographic Coverage

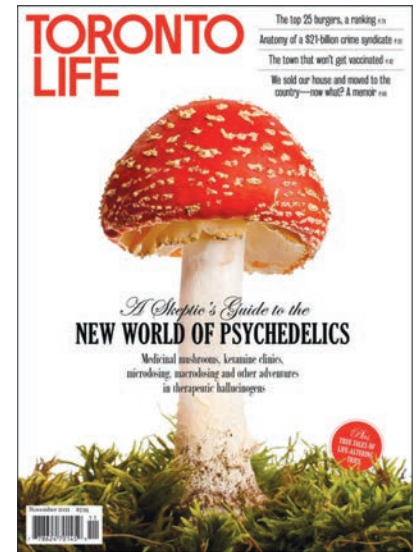
One way to achieve selective geographic coverage in magazines is through purchasing ad space in specific geographic editions of national or regional magazines. Some publications divide their circulation into groupings based on regions or major metropolitan areas and offer advertisers the option of concentrating their ads in these editions. Another way to achieve specific geographic coverage is to use a vehicle that is targeted toward a particular area—such as city magazines like *Toronto Life*, *Vancouver Magazine*, and *Montréal Scope*, to name a few—which provide residents of these areas with articles concerning lifestyle, events, and the like in these cities and their surrounding metropolitan areas (Exhibit 12-3).

CARD lists the consumer magazines offering geographic editions. Regional advertisers purchase space in editions that reach only areas where they have distribution, yet still enjoy the prestige of advertising in a major national magazine. National advertisers use the geographic editions to focus their advertising on areas with greater market potential or those needing more promotional support. Ads in regional editions can also list the names of retailers or distributors, thus encouraging greater local trade support. The trend toward regional marketing is increasing the importance of having regional media available to marketers.

Control for Selective Exposure and Attention

Readers are receptive to advertising in magazines, which index at 114 compared to 98 for websites and 96 for TV.⁹ Other data in the same study reported that 64% of readers stated that they pay attention to magazine ads.¹⁰ In addition, the pay attention indexed at 142 compared to 92 for both websites and TV.¹¹ Magazines are generally purchased because the information interests the reader, and ads provide additional information that may be of value in making a purchase decision. For example, consumers purchase bridal or fashion publications for their editorial content and for the advertising of the latest styles.

EXHIBIT 12-3 City magazines such as *Toronto Life* offer advertisers high geographic selectivity.



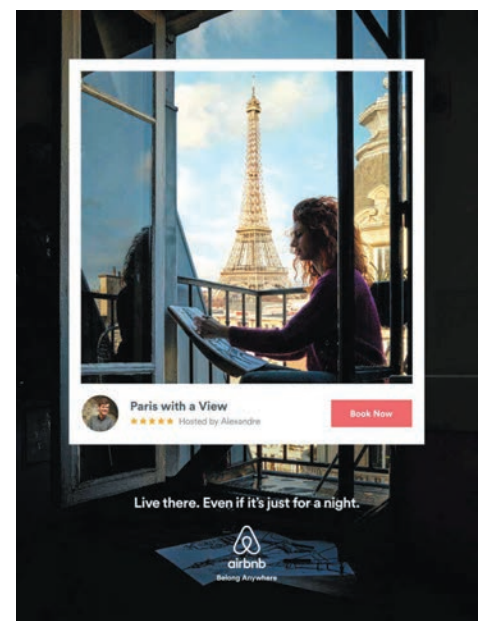
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Creativity for Emotional Responses

A valued attribute of magazine advertising is the ad reproduction quality. Magazines are generally printed on high-quality paper stock and use printing processes that provide excellent visuals in black and white or colour. The reproduction quality of most magazines is far superior than most newspapers. Magazines are a visual medium in which a photographic image or illustration is the dominant part of an ad designed to generate emotional reactions like joy or pleasure. For example, the Airbnb ad shown in **Exhibit 12-4** frames the Eiffel Tower in the apartment window. The target audience envisions being in Paris when receiving the message and presumably experiences all sorts of wonderful feelings about visiting Paris.

In addition to their excellent reproduction capabilities, magazines offer options in terms of the type, size, and placement of the advertising material. Magazines also offer opportunities such as gatefolds, bleed pages, inserts, and creative space buys to enhance the creative appeal and ensure stronger emotional responses. Launching a new ad campaign is one reason for implementing such options. **Gatefolds** use a third page that folds out that gives an extra-large spread, resulting in a striking presentation. Gatefolds typically occur on the inside cover of consumer magazines. **Bleed pages** occur when the ad extends to the edge of the page, with no margin of white space around the ad. **Inserts** typically occur for promotions such as recipe booklets, coupons, and even product samples. Cosmetics companies use scented inserts to introduce new fragrances, and others use them to promote products for which scent is important (e.g., deodorants, laundry detergents). **Creative space buys** allow advertisers to purchase space units in certain combinations to improve the visual appeal of the message.

EXHIBIT 12-4 Airbnb's visual message likely evoked thoughts of visiting Paris and emotions of a wonderful trip.



Airbnb, Inc.

Figure 12-4 compares print magazines with websites and TV on the emotions experienced when consuming the media and its ads. The index numbers for magazines are all over 100, indicating stronger than average performance compared to all media for emotions like happy, inspiring, and emotionally touching. Most of the index numbers for website and TV are below 100, indicating weaker than average performance compared to all other media for these emotions. In totality, the indices show the stronger emotional content for magazines versus the other two media.

Figure 12-4 Index experiencing emotion when consuming media

	Magazines	Website	TV
Happy	115	90	110
Inspiring	129	97	83
Touching	128	94	94

Source: *Magazine Media Fact Book*, MPA 2021, p. 18.

EXHIBIT 12-5 Audi creatively communicated its lighting feature in a magazine ad.



Audi of America

Digital technology integration with a print ad is also possible, as shown in **Exhibit 12-5**. The insert featured 49 LEDs firing in the same sequence as the lights on the Audi A8. Readers of the magazine received a faux luxury key fob with functioning lock and unlock buttons and, by clicking the key lock fob, could experience the lighting system that greets Audi A8 owners when they approach their cars. Cool exposure like this is certainly leading to stronger emotional responses from the receiver.

Creativity for Cognitive Responses

Magazine ads contribute to positive cognitive responses as well as emotional responses in three ways. First, one style of magazine ads balances the visual and verbal messages relatively equally with an image, body copy, and brand signature. Referring back to **Exhibit 7-14**, receivers consider the value and the importance of the attributes of BioSteel. In ads like this, consumers think about whether the attributes lead to important benefits and whether the consumer values such benefits. Second, another style of ad occurs

when the majority of the message is verbal with an extensive body copy. Ads such as this are intended for significant reading and thought about the message. Third, an entirely visual message like **Exhibit 12-4** still leads to cognitive responses even though it is designed to generate positive travel emotions. In this case, the additional Internet frame encourages thoughts of posting pictures of a visit for all to appreciate.

Figure 12-5 compares print magazines with websites and TV in the cognitions experienced when consuming the media and its ads. The index numbers for magazines are all over 100, indicating values stronger than average compared to all media for thoughts like valuable information, product quality, and aiding in decision making. Most of the index numbers for website and TV are below 100, indicating weaker than average values compared to all other media for these cognitions. Overall, the indices show stronger cognitive content for magazines versus the other two media.

Figure 12-5 Index experiencing cognition when consuming media

	Magazines	Website	TV
Valuable information	114	108	82
Product quality	138	94	84
Aid decision-making	122	96	81

Source: *Magazine Media Fact Book*, MPA 2021, p. 17, 32.

Amount of Processing Time and Reader Involvement

A distinctive strength offered by magazines is that they are generally read for extended time periods and over several days. TV and radio are characterized by fleeting messages that have a very short life span. **Figure 12-6** highlights the behavioural effects of the longer processing time and high reader involvement for health care products. Magazines are retained in the home with readers keeping an average of 33% of their publications.¹² One benefit of the longer life of magazines is that reading occurs at a less hurried pace and there is opportunity to examine ads in considerable detail. This means ads can use longer and more detailed copy, which can be very important for complex products or services. The permanence of magazines also means readers can be exposed to ads on multiple occasions and can pass magazines along to other readers.

Figure 12-6 Behavioural effects of high involvement processing of magazines

Actions Taken (indexed 12 month data)	Magazine	Website	TV
Visited a pharmaceutical company's website	191	141	129
Discussed an ad with your doctor	177	112	155
Asked doctor for sample of a prescription drug	204	116	140
Switched to a different brand	231	117	148
Purchased a non-prescription product	214	109	111

Source: *Magazine Fact Book*, MPA, 2021.

Media Image

Another positive feature of magazine advertising is the prestige the product gains from advertising in publications with a favourable image. Companies whose products rely heavily on perceived quality, reputation, and/or image buy space in prestigious publications with high-quality editorial content whose consumers have a high level of interest in the advertising pages. For example, *Flare* covers young women's fashions in a congruent editorial environment, and a clothing manufacturer may advertise its products in these magazines to enhance the prestige of its lines. *Canadian Geographic* provides an impressive editorial environment that includes high-quality photography. The magazine's upscale readers are likely to have a positive image of the publication that may transfer to the products advertised on its pages. Media planners rely on their experiences to assess a magazine's prestige and reader opinion surveys in order to select the best magazine title. Data in **Figure 12-7** indicate how much consumers enjoy advertising in magazines since it is part of the experience with truthful, favourite, and relevant characteristics.

Figure 12-7 Magazines offer a good media image for advertisers

	Magazines	Websites	TV
Truthful	120	102	86
Favourite	113	93	102
Relevant	106	106	88

Source: *Magazine Media Fact Book*, MPA 2021, p. 18.

IMC Perspective 12-1 highlights how consumers love both print and digital magazines, although their usage may differ by type of reader and topic. This example suggests that magazines are evolving along with their readers.

IMC PERSPECTIVE 12-1

MAGAZINES: PAPER OR DIGITAL^B

Sharp is a stylish Toronto-based men's lifestyle magazine. And while its ad revenue did not grow significantly, the publisher remained committed to the print format. With a circulation of 140,000 and 840,000 readers per issue, the magazine has positioned itself as a Canadian alternative to *GQ* and *Esquire*. And although these two titles showed a solid digital presence, *Sharp* continued its efforts to give a strong paper offering. As this example illustrates, publishers, advertisers, and consumers are deciding which way to go, paper or digital.

Consumers consume paper magazines more frequently than digital, at 50% versus 41% for weekly readership.

Heavy magazine readership is skewed to those aged 45 and older living in rural areas, and light magazine readership is skewed to those aged 18–35. Heavy magazine readers consume a magazine every week, while light magazine readers consume a magazine one to three times per month. The print subscription rate is 39%, 32% buy at retail, the digital subscription is 9%, and the rate for reading magazine content online without a subscription is 27%. Other data finds that publications people read include 68% food and recipes, 61% entertainment, 60% health/fitness, and 64% read exclusively print magazines, while 33% read print and digital.



©Sam Edwards/Caia Image/Glow Images

Digital magazines continued to gain traction, with nearly 5 million Canadians reading them in 2015, up from just under 2 million two years earlier, with one-quarter reading digital magazines exclusively. The 5 million are divided on their preferred delivery, with one-third each liking the web edition, tablet option, or print version. Dig-

ital readers are well educated, urban, young adults employed in a professional/managerial job. And they read digital magazines like a printed magazine, reading on the couch (96%) or in bed (73%).

Readers answered that they attend to digital magazine ads; they enjoy digital ads more than ads on digital newspapers, social networking sites, and digital TV sites; and they are more likely to take action (71% to 59%) after seeing a digital magazine ad. For example, 83% visited the advertiser's Internet site, 53 percent recommended the brand, and 51% purchased the product. Digital magazines are all encompassing, with 79% having a Facebook page, 77% owning an Internet site, 67% sending enewsletters, 61% posting on a blog, 52% setting up a LinkedIn profile, and 46% creating video content. Clearly, magazines are in a new world of communication.

QUESTION

1. How is the experience of reading a print magazine similar to or different from a digital version of the same title?

LIMITATIONS OF MAGAZINES

Magazines have limitations despite the above attractive strengths. These drawbacks include target audience coverage, scheduling flexibility due to the lead time required for placement, reach and frequency, absolute and relative cost, and clutter.

Target Audience Coverage

The flipside of the strength of target audience selectivity is the limitation of magazines in providing extensive target audience coverage. Even though a magazine may draw an audience with a particular interest—for example, hockey with *The Hockey News*—the number of people reading the publication versus the number of people who actually watch or play hockey is substantially disproportionate.

Scheduling Flexibility

Another drawback of magazines is the long lead time needed to place an ad, thus reducing scheduling flexibility. Most major publications have a 30- to 90-day lead time, which means space is purchased and the ad is prepared well in advance of the actual publication date. No changes in the art or copy of the ad can be made after the closing date. This long lead time means magazine ads cannot be as timely as other media, such as radio or newspapers, in responding to current events or changing market conditions.

Reach and Frequency

Magazines are generally not as effective as other media in offering reach and frequency. While adults in Canada read one or more consumer magazines each month, the percentage of adults reading any individual publication tends to be much smaller. As **Figure 12-2** showed, the circulation of 80% of all titles is below 100,000. An ad in a magazine with this circulation reaches less than half a percent of all households.

Advertisers seeking broad reach make media buys in a number of magazines, resulting in greater costs with multiple transactions. For a broad reach strategy, magazines are used in conjunction with other media. Since most magazines are monthly or at best weekly publications, the opportunity for building frequency through the use of the same publication is limited. Using multiple ads in the same issue of a publication is an inefficient way to build frequency, although a product category like fashion finds success with this approach as volume discounts are offered.

Despite these concerns from an individual title's viewpoint, total magazine reach is as impressive as any other media. About 8 out of 10 Canadians (aged 12–64) read magazines within the most recent three months.¹³ As for frequency, while magazines cannot compete on this compared to broadcast media, placing an ad in consecutive months (e.g., five or more) provides measurably stronger awareness levels compared to placements for fewer months.¹⁴

Absolute and Relative Cost

The cost of advertising in magazines varies according to size of audience reached and selectivity. Advertising in large mass-circulation magazines like *Maclean's* can be very expensive. For example, a full-page, four-colour ad in *Maclean's* national edition (circulation 362,000) had a cost of \$37,000. Popular positions such as the back cover cost even more.

Magazines are considered not only from an absolute cost perspective but also in terms of relative costs. Most magazines emphasize their low cost per thousand to reach specific target audiences. Media planners generally focus on the relative costs of a publication in reaching their target audience. However, they may recommend a magazine with a high cost per thousand because of its ability to reach a small, specialized market segment. Of course, advertisers with limited budgets will be interested in the absolute costs of space in a magazine and the costs of producing quality ads for these publications. Strong brands or companies with large advertising budgets (e.g., car companies) are regularly in publications where the absolute cost is not a substantial deterrent for ad placement.

Clutter

Advertising clutter is not a serious issue for print compared to other media. Consumers are receptive to and tolerant of print advertising and control their exposure to a magazine ad simply by turning the page; however, the many pages of ads in a magazine raise an issue of concern when planning print ad placement. And this issue is a paradox for magazines since successful titles attract more advertising pages, potentially leading to greater clutter. Magazine publishers control clutter by maintaining a reasonable balance of editorial pages to advertising. Advertisers control the clutter with the use of strong visual images, catchy headlines, and other creative techniques to gain a reader's attention.

LO3 Newspapers

Newspapers are another form of print media, and its advertising revenue declined significantly over the past decade. In 2011, daily newspaper advertising revenue attained \$2.2 billion and community newspapers hit \$1.2 billion. By 2021, daily newspaper advertising revenue attained \$541 million and community newspapers hit \$401 million. In short, the combined newspaper advertising revenue declined over \$2 billion in 10 years. Despite this difficult situation, the \$941 million in advertising revenue shows that newspapers remain an important advertising medium for local advertisers, local and national retailers, and national advertisers. This section reviews different types of newspapers, types of newspaper advertising, newspaper circulation and readership, and finally newspaper advertising rates.

CLASSIFICATIONS

Newspapers deliver timely information and features that appeal to readers. They provide detailed coverage of news, events, and issues concerning the local area as well as business, sports, and other relevant information and entertainment. The vast majority of newspapers are daily publications. However, community, national, Internet, and special-audience newspapers and supplements offer message delivery options that appeal to advertisers.

Daily Newspapers

News Media Canada presents a snapshot of the daily newspaper industry each year, and 2021 data indicate the following information. Of the 74 daily newspapers published, 60 are in English and 14 are in French. Daily newspapers are published most weekdays, as 74% of the titles publish six or seven days per week. The publications are found in major cities and larger towns across the country. Some locations have more than one daily paper, while the vast majority of smaller Canadian cities and towns have one publication. Daily newspapers typically charge a price (i.e., paid circulation), and some daily newspapers are free (i.e., controlled circulation). The total circulations is 19.3 million, 11.1 million paid and 8.2 million controlled.¹⁵

Figure 12-8 provides overview statistics of the largest publishers of daily newspapers. The 53 titles published by these publishers represent 83% of the total circulation.¹⁶

Figure 12-8 Daily newspaper title and total circulation by publisher

Publisher	Number of Titles	Total Circulation
Postmedia	32	5,480,000
Quebecor	3	2,500,000
TorStar	7	2,150,000
The Globe and Mail	1	1,900,000
La Presse	1	1,875,000
CN2i	7	1,277,000
Metro Media	2	932,000

Source: News Media Canada, Snapshot Report, 2021

Community Newspapers

News Media Canada also presents a snapshot of the community newspaper industry each year, and 2021 data indicate the following information. Of the 950 community newspapers, 703 are published in English and 228 in French. Seventy percent of community newspapers publish weekly. The publications are in small towns where the volume of news and advertising does not support a daily newspaper, and in the suburbs or neighbourhoods of larger Canadian cities. The total circulation is 14 million, with 96% as controlled.¹⁷ These papers focus on news, sports, and events relevant to the local area and usually ignore content covered by the city-based daily newspaper. Community newspapers appeal primarily to local advertisers because of their geographic focus and lower absolute cost.

National Newspapers

Newspapers in Canada with national circulation include *The Globe and Mail* and the *National Post*. The former began as a daily publication in Toronto with national editorial content and expanded with regional editions decades ago. The latter established itself as a purely national publication decades ago and now delivers a portion of its publication in local daily newspapers that are part of Postmedia. These newspapers appeal to large national advertisers and to regional advertisers that use specific geographic editions of these publications.

Internet Newspapers

Major Canadian daily newspapers, the two national newspapers, and some community newspapers offer an Internet version of their publication. Consumers readily adopted digital newspaper media with apps and subscriptions. But consumers also read news stories online from links found in social media and other Internet sites known as news aggregators. From this, total news consumption grew, however revenue growth from advertising and subscriptions did not keep pace. One of the more interesting outcomes is Montreal's *La Presse*, which moved to digital-only publication and became a non-profit charity. The weekday paper became digital-only in 2016 and the Saturday edition followed the same path in 2017, both relying on advertising sales to support free readership. Transitioning to non-profit status became a challenge as the new structure required government approval, but this approach worked well in the United Kingdom for *The Guardian*, which continues to receive donations from readers.¹⁸

Special-Audience Newspapers

A variety of papers offer specialized editorial content and are published for particular groups, including labour unions, professional organizations, industries, and hobbyists. Many people working in advertising and marketing read *Strategy Magazine*. Specialized newspapers are also published in areas with large foreign-language-speaking ethnic groups. Newspapers targeted at religious and educational groups compose another large class of special-interest papers. A trend has arisen with the establishment of local business newspapers.

Newspaper Supplements

Although not a category of newspapers as such, papers include magazine-type supplements. For example, *The Globe and Mail* publishes a glossy *Report on Business* magazine at the end of each month. Newspapers are also in the game of custom publishing magazine supplements for advertisers. This is a relatively new field for this media as titles look to replace lost advertising

revenue with classified ads shifting to digital vehicles. In contrast, as noted in the Magazines section, this kind of activity occurred with great frequency in that media, but newspapers struggle with the balance of journalistic integrity and the need to please advertisers.

TYPES OF ADVERTISING

The ads appearing in newspapers are divided into different categories: display, classified, special, and sponsorship ads and preprinted inserts. Newspapers receive online ad revenue as well. Display ads in printed versions of newspapers represent the majority of the ad revenue with \$437 million in 2021.

Display Advertising

Display advertising is found throughout the newspaper and generally uses illustrations, headlines, white space, and other visual devices in addition to the copy text. *Local advertising* refers to ads placed by local organizations and businesses who communicate with consumers in the market area served by the newspaper. These ads are designed to influence consumers during their routine shopping trips. *National advertising* refers to ads placed by marketers of branded products sold nationally or regionally. These ads are designed to create and maintain market demand and to complement the marketing efforts of the advertisers' local retailers.

Classified Advertising

Classified advertising provides newspapers with ad revenue; however, online classifieds and search ads completely eroded this to \$82 million by 2021 for both types of newspapers. Text ads for employment, real estate, and selling personal goods and services, etc., moved to a digital equivalent.

Special Ads

Special advertisements in newspapers include government and financial reports and public notices of changes in business and personal relationships. Other types include political or special-interest ads promoting a candidate, issue, or cause. Newspapers like *The Globe and Mail* offer opportunities in which, for a few days each week, they will focus on a particular topic (e.g., tax planning, luxury travel, Olympics) that provides interested advertisers with an option to customize messages or focus their spending knowing a certain audience will read featured content.

Sponsorship Ads

Another form of special ads in newspapers is sponsorship messages that look very similar to newspaper content and format. The text is laid out in columns with photos in a manner almost indistinguishable from the actual publication. At the top of the ad, a disclaimer indicates to the reader that the message is sponsored by a brand, company, or organization. Given its resemblance to a newspaper article, publishers see this as offering a *content marketing* option to advertisers. For example, *The Globe and Mail* offers its Globe Content Studios to advertisers and Postmedia offers its Content Works to promotional planners. Each works with decision makers to put together a print and digital message for all of its media properties and exposure into social media. In the case of *The Globe and Mail*, the look is different from regular content to indicate that it is promotional in nature, but it is based on the journalistic quality of the regular reporting staff.¹⁹

Preprinted Inserts

Preprinted inserts include free-standing inserts (FSI), circulars, catalogues, or brochures in specific circulation zones to reach shoppers in their particular trade areas. "Inserts" advertising revenue is a separate line item in the advertising revenue table and hit \$148 million in 2021 for both types of newspapers. While still a significant print option, digital newspapers and other online locations display digital flyers that look exactly like the printed version. In 2015, one media planner suggested that ads in retail flyers are a good alternative to magazine ads since they offer a low CPM. Data indicated that half of all Canadians regularly used a grocery store flyer and readers spend an average of 20 minutes reading flyers.²⁰ Recent research in 2020 indicated that the 50% regular readership of flyers remained. As an example of how much consumers rely on flyers, No Frills Grocery reinstated their use after a decline in store visits occurred after withdrawing them.²¹

Digital Ads

Newspapers package the ads shown in their print version for their digital publication, and they also accept digital-only campaigns for display ads. Larger media companies embed video ads within their digital edition that are the same as TV ads or

unique messages. In 2021, total digital ads, online and mobile, accounted for \$275 million in advertising revenue for daily and community newspapers. For digital, *The Globe and Mail* distributes a dedicated media kit summarizing their options for advertisers, which include video, email, sponsorship, editorial content, podcasts, and a variety of static display ad formats.²²

CIRCULATION AND READERSHIP

The media planner reviews the size and reader characteristics of the audience reached by a newspaper when considering its value in the media plan. As with other media, advertisers are concerned with the size of the audience reached through a particular vehicle. Thus, the circulation, or number of readers, is an important statistic. And while the audience size is important, advertisers are also interested in the amount of reading occurring and similar reader usage statistics prior to making their decision regarding newspapers.

Circulation

The source of information concerning the audience size of newspapers comes from circulation figures available through CARD, discussed earlier in this chapter. The Alliance for Audited Media (AAM) verifies circulation figures for many newspapers, as illustrated in the Magazines media section. Advertisers using a number of papers in their media plan may find CARD to be the most convenient source.

Newspaper circulation figures are generally broken down into three categories: the city zone, the retail trading zone, and all other areas. The **city zone** is a market area composed of the city where the paper is published and contiguous areas similar in character to the city. The **retail trading zone** is the market outside the city zone whose residents regularly trade with merchants within the city zone. The “all other” category covers all circulation not included in the city or retail trade zones. Sometimes circulation figures are provided only for the primary market, which is the city and retail trade zones combined, and the “all other” area. Both local and national advertisers consider the circulation patterns across the various categories in evaluating and selecting newspapers.

Readership

Circulation figures provide the media planner with the basic data for assessing the value of newspapers and their ability to cover market areas. However, the media planner also wants to match the characteristics of a newspaper’s readers with those of the advertiser’s target audience. Media planners may seek additional readership information (e.g., demographics), including the number of readers per copy, about a particular newspaper title on its website or within its media kit. For example, *The Globe and Mail* website lists extensive information about its readership. As an example of useful newspaper readership information, **Figure 12-9** shows weekly readership for print and electronic access for four age groups based on research from News Media Canada. The overlap of all these access points provides a weekly reach of almost 86% for adults aged 18 and older, and this overall reach does not vary much for the four age groups and has remained constant the past decade.²³

Figure 12-9 Weekly newspaper readership by access and age groups, 2022

	Print	Computer	Phone	Tablet
Adults 18+	39%	52%	69%	39%
Gen Y/Millennials	27%	52%	79%	41%
Gen X	37%	57%	76%	43%
Boomers	42%	51%	56%	35%

Source: News Media Canada, Newspapers 24/7, 2022.

The Canadian Newspaper Association (CNA) and the Canadian Community Newspapers Association (CCNA) jointly execute research for newspaper audience measurement through their joint organization, News Media Canada. Each organization retains its own board of directors and many organizational functions are done as one. CNA promotes the benefits of advertising in newspapers, both daily and community, to advertisers, agencies, media planners, and newspapers themselves through research and information.

ADVERTISING RATES

Advertisers are faced with a number of options and pricing structures when purchasing newspaper space. The cost of advertising space depends on the circulation, and whether the circulation is controlled (free) or paid. It also depends on factors such as premium charges for colour in a special section, as well as discounts available. National rates can be about 15% higher than local rates, to account for agency commission.

Newspaper space is sold by the **agate line and column width**. A line (or agate line) is a unit measuring one column wide and 1/14-inch deep. One problem with this unit is that newspapers use columns of varying width, from 6 columns per page to 10 columns per page, which affects the size, shape, and costs of an ad. (Note that these columns are not the actual columns viewed while reading the newspaper.) This results in a complicated production and buying process for national advertisers that purchase space in a number of newspapers.

Advertisers need to know the number of lines and number of columns on a newspaper page in order to calculate the cost of an ad. For example, the following calculation is for the weekday cost of a full-page ad in the national edition of the *National Post*. The paper has 301 lines and 10 columns per page, and the open cost per line is \$17.69. (Results of all calculations are rounded to the nearest dollar.)

$$10 \text{ columns} \times 301 \text{ lines} \times \$17.69/\text{line per column} = \$53,247$$

This calculation could be done differently with the same result when the entire length of the paper is known (301 lines/14 agate lines per column inch).

$$10 \text{ columns} \times 21.5 \text{ inches} \times 14 \text{ agate lines per column inch} \times \$17.69 \text{ per agate line} = \$53,247$$

This principle can be used to calculate the cost of ads of various sizes. For example, for an ad that is 5 columns wide and 6 inches deep, the calculation would then be the following:

$$5 \text{ columns} \times 6 \text{ inches} \times 14 \text{ agate lines per column inch} \times \$17.69 \text{ per agate line} = \$7,430$$

Newspaper rates for local advertisers continue to be based on the column inch, which is 1 inch deep by 1 column wide. Advertising rates for local advertisers are quoted per column inch, and media planners calculate total space costs by multiplying the ad's number of column inches by the cost per inch.

Most newspapers have an **open-rate structure**, which means discounts are available. These discounts are generally based on frequency or bulk purchases of space and depend on the number of column inches purchased in a year. The above calculations used the most expensive cost based on a one-time ad. The maximum discount puts the cost per line at \$11.82, about one-third less expensive. A full-page ad would drop from \$53,247 to \$35,578, a saving of \$17,669.

Newspaper space rates also vary with an advertiser's special requests, such as preferred position or colour. The basic rates quoted by a newspaper are **run of paper (ROP)**, which means the paper can place the ad on any page or in any position it desires. While most newspapers try to place an ad in a requested position, the advertiser can ensure a specific section and/or position on a page by paying a higher **preferred position rate**. Colour advertising is also available in many newspapers on an ROP basis or through preprinted inserts or supplements.

With the decline of newspaper advertising revenue, Postmedia signed a three-year advertising payment deal with Mogo, an online financial service targeted to younger adults. Postmedia provided advertising across its 200 media properties in exchange for a percentage of Mogo's revenue and the option to buy shares. The arrangement worked out to \$50 million in advertising based on posted ad rates and allowed for a two-year extension.²⁴ Time will tell if this is a one-time experiment or a new wave of the future for print media and maybe all media.

LO4 Evaluating Newspapers

This section evaluates newspapers as an advertising media option for media planners. **Figure 12-10** summarizes the relative strengths and limitations of newspapers compared to other media. The media characteristics and media usage characteristics correspond to those identified in **Figure 10-4**. The strengths are highlighted in bold, and this section reviews the strengths in order, and then the limitations in order. Newspapers present unique opportunities for ad placement within the layout that affect their strengths and limitations, as does the use of national, city, or community publications. Despite this, the generalizations are reasonably consistent no matter the situation.

Figure 12-10 Summary of Evaluating Newspapers

Media Characteristics	Media-Usage Characteristics
Target audience selectivity	Control for selective exposure
Target audience coverage	Attention
Geographic coverage	Creativity for cognitive responses
Scheduling flexibility	Creativity for emotional responses
Reach	Amount of processing time
Frequency	Involvement
Absolute cost per placement	Clutter
Relative cost per exposure	Media image

STRENGTHS OF NEWSPAPERS

Newspapers feature characteristics that make them an attractive option for local and national advertisers. These include target audience coverage, geographic coverage, scheduling flexibility, reach and frequency, absolute and relative cost, amount of processing time and reader involvement, creativity for cognitive responses, and media image.

Target Audience Coverage

Coverage of a specific target audience is argued to be a limitation for the newspaper in comparison to its print cousin, the magazine. However, placement of ads in certain newspaper sections that recur every day (e.g., sports, business, entertainment) or once a week (e.g., food, cars, finance) can be advantageous for marketers.

Geographic Coverage

Newspapers offer advertisers targeted geographic or territorial coverage. Advertisers vary their coverage by choosing a paper—or combination of papers—that reaches the areas with the greatest sales potential. National advertisers take advantage of the geographic coverage of newspapers to concentrate their advertising in specific areas they can't reach with other media. For example, more expensive automobile manufacturers advertise in Toronto newspapers that reach the greater Toronto area and beyond with their wide distribution. Companies use newspapers in regional marketing strategies; this lets them feature products on a market-by-market basis, adapt campaigns to local market conditions, and tie in to retailer promotions to foster support from the trade. Local retail advertisers are interested in geographic coverage within a market to concentrate their advertising where most of their current or potential customers are located.

Scheduling Flexibility

Newspapers provide flexibility to advertisers in terms of requirements for producing and running the ads. Newspaper ads can be written, laid out, and prepared in a matter of hours. For most dailies, the closing time by which the ad must be received is usually only 48 hours before publication (although closing times for supplements and special ads are longer). The short production time and closing times or dates make newspapers very suitable for responding to current events or presenting timely information to consumers.

Reach and Frequency

One of the primary strengths of newspapers is the high degree of market coverage they offer an advertiser; most areas are served by one or two daily newspapers. The extensive penetration of newspapers makes them a truly mass medium and provides advertisers with an excellent opportunity for communicating with all segments of the population. Research shows that newspapers achieve weekly reach of almost 90% across print and digital access points. Also, since many newspapers are published and read daily, advertisers build high levels of frequency into the media schedule.

Absolute and Relative Cost

Newspapers assist small companies through free copywriting and art services. Small advertisers without an agency or advertising department often rely on the newspaper to help them write and produce their ads. Production costs of ads are reasonable

since many are simple copy with a standard image or photo-stock visual. The creative flexibility of newspapers in terms of size and format of the ad makes it difficult to exactly conclude the cost implications of this medium. Small and local businesses can run a small ad with a reasonable cost per thousand compared to magazines.

Amount of Processing Time and Reader Involvement

Another important feature of newspapers is consumers' level of acceptance for and involvement with papers and the ads they contain. Consumers typically rely on a newspaper because of the advertising it contains; they use retail ads to determine product prices and availability and to see who is having a sale. One aspect of newspapers that is helpful to advertisers is readers' knowledge about particular sections. For example, the food section is popular for recipe and menu ideas as well as for the grocery store ads and promotional offers. The average newspaper reader spends considerable time consuming news, information, and entertainment. **Figure 12-11** gives an idea of how much reading occurs throughout the day for different ways to access the information. As expected, reading via phone devices peaks throughout the day, thereby giving newspapers the opportunity to adjust content and give advertisers direction for targeting.

Creativity for Cognitive Responses

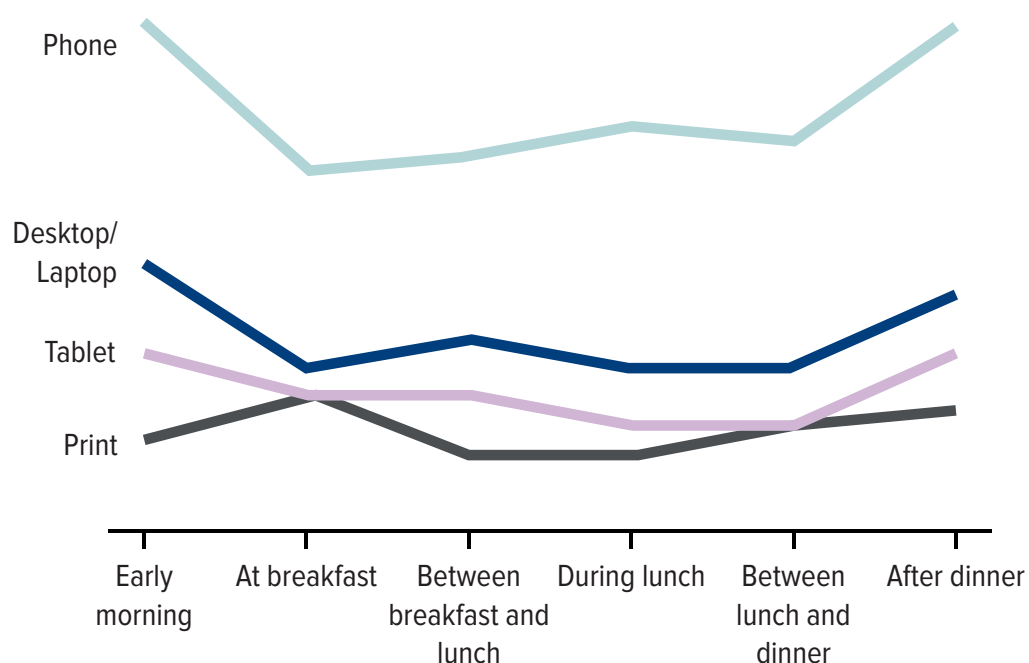
Newspapers offer the opportunity for extremely long copy, perhaps a thousand words extolling the attributes and benefits of a product. The option of considerable explanation of a product could be quite important for marketers looking to persuade consumers who are at the information search stage of the decision-making process. Furthermore, newspapers offer numerous creative options as ads can be run in different sizes, shapes, and formats to persuade the reader. Magazine innovations described earlier are adapted to newspapers as well.

Media Image

The value of newspaper advertising as a source of information has been shown in several studies. One study found that consumers look forward to ads in newspapers more than in other media. In another study, 80% of consumers said newspaper ads were most helpful to them in doing their weekly shopping. Newspaper advertising has also been rated the most believable form of advertising in numerous studies.

IMC Perspective 12-2 reflects on challenges facing newspapers to maintain their journalistic quality and the federal government's response. It should also be noted that the decline in newspaper ad revenue reversed its course slightly in the United Kingdom. Large advertisers like P&G realized that their budget allocations had become overly dependent on digital media

FIGURE 12-11 Newspaper access types by time of day



and that their messages placed in media vehicles with inappropriate content did not meet their expectations of quality advertising.²⁵

IMC PERSPECTIVE 12-2

FINANCIAL CHALLENGES FOR NEWSPAPERS^c

The downward trajectory of newspapers' advertising revenue continued as the total (including Internet) dropped from \$3.7 billion in 2010 to \$1.8 billion in 2017 and \$942 million in 2021. After giving away free journalistic content online for about twenty years with no subscription fee and minimal support from Internet advertising revenue at about \$300 million annually, industry players faced an unprofitable situation. As part of the decline, Canada lost about 16,000 journalist positions during this time period. Although innovation occurred to develop additional revenue, the issues of retaining Canadian journalistic quality, government funding, and alternative methods of revenue growth emerged.

Facebook and Google represented the main source of revenue loss as Canadian advertisers gravitated to digital advertising. These are attractive options for Canadian firms reaching a Canadian target audience, but even more so since the Canadian firm could deduct the ad expense from its revenue and therefore not pay tax on the ad expense. This tax implication is not possible for Canadian brands advertising in established American broadcast and print media.



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Thus, digital media provided a significant cost savings while using this type of American media due to the tax law. The historic reason for the tax law encouraged Canadian advertisers to support Canadian media, so the new situation proved to be a significant public policy issue for government officials. The fact that Facebook and Google aggregated the Canadian news without paying for it, and gained ad revenue at the same time, compounded the financial situation for Canadian media who incurred the journalistic cost and did not obtain ad revenue.

In 2018, federal government officials responded to industry concerns and granted charitable status for newspapers which allowed publishers to receive funds and give tax receipts to donors. The federal government also offered nearly \$600 million over five years to support journalists producing original news content in Canadian print media.

Greater revenue erosion by the end of 2021 led to further government action in 2022. The new legislation required the digital giants to pay Canadian journalistic organizations a fee for linking their news articles in various news-feeds. Issues arose during the legislation debate and its revisions. Notably, many raised concerns as to which journalistic media would benefit most from the estimated \$330 million. Some contended that much would go to the CBC and corporate media with little going to community newspapers. In addition, Facebook indicated that it might stop posting the news links if the legislation passed. From their view, the digital media exposure resulted in nearly two billion clicks per year which amounted to \$230 million in marketing revenue for the journalistic organizations.

QUESTION

1. Why are digital newspapers a stronger or weaker alternative as an advertising medium compared to other digital alternatives?

LIMITATIONS OF NEWSPAPERS

While newspapers have strengths, they also have limitations that media planners consider as with other media. The limitations of newspapers include their target audience selectivity, control for selective exposure and attention, creativity for emotional responses, and clutter.

Target Audience Selectivity

While newspapers offer advertisers geographic selectivity, they are not selective in terms of demographics or lifestyle characteristics. Most newspapers reach broad and very diverse groups of consumers, which makes it difficult for marketers to focus on narrowly defined market segments. For example, manufacturers of fishing rods and reels will find newspapers very inefficient because of the wasted circulation that results from reaching all the newspaper readers who don't fish. Thus, they are more likely to use special-interest magazines. Any newspaper ads for their products will be done through cooperative plans whereby retailers share the costs or spread them over a number of sporting goods featured in the ad.

Control for Selective Exposure and Attention

Unlike magazines, which are retained for weeks, a daily newspaper is generally kept for a day. So an ad is unlikely to have much impact beyond its publication date, and repeat exposure is unlikely. Compounding this situation are the amount of time consumers spend with the newspaper and the possibility they may not open sections of the paper. Media planners offset these concerns with a high frequency schedule and advertising in a section where consumers who are in the market for a good or service are likely to look. Other approaches to obtain reader attention include “front page wraps” (actual ads on the first page), “belly bands” (advertising strips surrounding the paper like a belt), and “French doors” (section wraps split down the middle).

Creativity for Emotional Responses

A significant limitation of newspapers for advertising is their poor reproduction quality; the coarse paper stock and absence of extensive colour limits the quality of most newspaper ads. Newspapers with wide circulation, such as those owned by Postmedia, improved their reproduction and colour quality with technological advances. One other noteworthy example is the weekend edition of *The Globe and Mail*, which provides high-quality reproduction and colour that approaches magazine quality. Also, advertisers desiring high-quality colour in newspaper ads turn to alternatives such as freestanding inserts or supplements, although they are costly.

Clutter

Newspapers suffer from clutter because a substantial amount of the average daily newspaper in Canada is devoted to advertising; an advertiser's message competes with other ads for consumers' attention and interest. Moreover, the creative options in newspapers are limited with black and white ads. Thus, it can be difficult for a newspaper advertiser to break through the clutter without using costly measures such as large space buys or colour.

LO5 IMC Planning: Strategic Use of Print Media

This IMC planning section relates the use of magazines and newspapers to achieving communication and behavioural objectives in general and also in terms of the different stages of the consumer decision-making process for the target audience. This builds on discussions in earlier chapters and highlights the importance of planning creative and media together.

MAGAZINES

The selectivity and creativity options for magazines allow promotional planners a multitude of opportunities for establishing and maintaining very unique brand positions across all potential target audiences. For example, if research reveals a high proportion of non-users in certain lifestyle publications, the promotional planner can develop print ads with extensive copy to build category need as well as sufficient brand coverage for awareness while communicating the most appropriate brand benefit message for persuasion. Alternatively, research in other publications might indicate strong brand development and a high proportion of current customers, thus allowing the promotional planner the opportunity to use messages that maintain the strong brand equity. This might suggest a more emotional message with enticing visuals for low-involvement processing.

While the decision to offer more customized messages to each audience is met with a certain amount of risk, this is mitigated by the consistency in the creative theme and creative tactics such as the design elements (e.g., layout). This possible scenario for promotional planners suggests that ads directed toward non-users could be developed to influence the prepurchase and need recognition stages, whereas the ads for the customer could attempt to influence the purchase decision stage, as the brand would be encouraging a repeat purchase objective.

Extending this argument geographically is another strategic opportunity for promotional planners. For example, if the brand has a low brand development index in one part of the country, more persuasive switching messages directed to consumers at

the purchase decision stage might be considered through regional or city editions. Alternatively, other regional editions could be examined if the brand has a high brand development index and the promotional planner concentrates on brand maintenance messages that focus, for example, on postpurchase satisfaction.

As the use of these key strengths of magazines implies, promotional planners can use magazines to attain virtually any of the communication objectives with any type of target audience and create the unique brand positions desired. Magazines are also strong for attaining purchase intention objectives and shopping objectives. Magazine ads are useful for prompting Internet searches and website visits. Granted, certain costs are associated with this strategic use of magazines; the promotional planner can schedule the placements over time so as not to break the budget.

These strengths of magazines allow print to work with other media and IMC tools. Visuals can be the same as those from TV commercials to enhance message frequency. Headlines can be consistently used across out-of-home media and print ads. Sales promotions can be added to the message, like coupons or Internet site links to register for samples. Brand-building charity sponsorship or events can be communicated if they especially resonate with the readership audience. In short, magazines offer a degree of potential integration in the IMC plan.

NEWSPAPERS

The strategic use of newspapers is similar to radio in that national and local advertisers design messages with related objectives. National advertisers employ newspapers for brand-building messages they wish to disseminate across the country or in select regions. These ads take a few general forms. One kind of ad builds awareness and benefit beliefs at the prepurchase and need recognition stages due to the broad reach of newspapers. With the majority of Canadian households reading newspapers on a regular basis, brands naturally reach their target audience and those who may not be in the market for such products. Other types of ads contribute at the information search stage for the target audience. The involved nature of the messages that can be creatively communicated in a more rational manner to fit the editorial context permits promotional planners to persuade their audience via high-involvement, informational brand attitude. One limitation with the opportunity is that the number of consumers actually in the market at this stage is smaller, thus making the purchase less cost-efficient. Finally, national advertisers utilize newspapers for disseminating information regarding sales promotions. For example, automobile manufacturers and large retailers are the largest advertisers who communicate their price and other promotions in newspapers to influence consumers at the purchase decision stage.

As noted in the cost implications discussion, newspapers offer local advertisers and small businesses (e.g., retailers, services) a tremendous opportunity for reaching an entire city for a reasonable cost. These advertisers can design ads to meet any communication objectives. A perusal of the local newspaper will identify ads that are clearly trying to build awareness and communicate certain brand benefits. However, the daily/weekly time frame of newspapers reveals that many ads have stronger purchase intention objectives.

Like magazines, newspapers offer good potential for integrating with other media and IMC tools. Television and radio commercials frequently suggest that consumers “see newspaper for details.” In this case, the initial ads are influencing the target audience at the need recognition stage and the newspaper is influencing the information search stage. Many public relations activities (such as sponsorship of charity events in the local community) are conveyed in newspapers since they act as a planning resource for things to do in one’s city.

Learning Objectives Summary

LO1

Identify the different types of magazines available for advertising, how circulation and readership levels are determined, how audience size and its characteristics are measured, and the factors that influence advertising rates.

Magazines are a very selective medium and are valuable for reaching specific types of customers and market segments. The four broad categories of magazines are consumer, ethnic, farm, and business publications. Each of these categories can be further classified according to the publication’s editorial content and audience appeal. Foreign publications compete with Canadian magazines also.

Circulation and readership are verified with an audit function so advertisers are confident that the number claimed by the individual title is accurate. Extensive information about magazine readers is available.

Advertising space rates in magazines vary according to a number of factors, including the size of the ad, position in the publication, particular editions purchased, use of colour, and number and frequency of insertions. Rates for magazines are compared on the basis of cost per thousand, although other factors such as the editorial content of the publication and its ability to reach specific target audiences must also be considered.

LO2 Evaluate the strengths and limitations of magazines as an advertising medium.

The strengths of magazines include their target audience selectivity, geographic coverage, control for selective exposure and attention, creativity for cognitive and emotional responses, amount of processing time and reader involvement, and media image. Limitations of magazines include their weak target audience coverage, the long lead time required in placing an ad leading to poorer scheduling flexibility, their limited reach and frequency, the absolute and relative cost of advertising, and the problem of clutter.

LO3 Identify the types of newspapers offered for advertising, how circulation and readership levels are determined, how audience size and its characteristics are measured, and how advertising rates are determined.

A variety of newspapers are available for advertisers, including daily, community, national, Internet, and special-audience newspapers and newspaper supplements. Newspapers offer great flexibility regarding the type of ad, including display, classified, special, and inserts. Extensive research is conducted to ensure that the number of readers is accurate. Additional research of newspaper readers provides a detailed profile of their characteristics.

Newspaper ads are sold as a full page or any partial page the advertiser desires. The line and column characteristics of newspapers allow nearly unlimited sizes, although most ads follow conventional sizes of half-page, quarter-page, and so on, with smaller advertisers selecting smaller spaces. Advertising rates are determined by the size of the ad and the circulation.

LO4 Evaluate the strengths and limitations of newspapers as an advertising medium.

Newspapers are a very important medium to local advertisers, especially retailers. Newspapers are a broad-based medium and reach a large percentage of households in a particular area. Newspapers' other advantages include target audience coverage, geographic coverage, scheduling flexibility, reach and frequency, absolute and relative cost, amount of processing time and reader involvement, creativity for cognitive responses, and media image. Limitations of newspapers include their target audience selectivity, control for selective exposure and attention, creativity for emotional responses, and clutter. The use of special inserts and supplements allows advertisers to overcome these limitations to a degree. However, newspapers face increasing competition from Internet media as the World Wide Web continues to grow as an information resource for consumers.

LO5 Apply the media knowledge of magazines and newspapers for strategic IMC decisions.

Print media are important for IMC plans as their potential for long-form copy, lengthy reading, and selectivity for magazines and coverage for newspapers makes expenditures worthwhile for certain product categories or for when consumers are in the information or purchase decision stage. Given their importance for providing information, print media are readily linked with other media as ads may suggest connection to digital media or follow-up on messages found in broadcast or out-of-home media that have broader coverage.

Review Questions

1. Discuss how circulation figures and readership composition are used in evaluating magazines as part of a media plan and setting advertising rates.
2. Discuss the strengths and limitations of magazines for advertising. How do magazines differ from television and radio as advertising media?
3. Discuss how circulation figures and readership composition are used in evaluating newspapers as part of a media plan and setting advertising rates.
4. Discuss the strengths and limitations of newspapers for advertising. How might the decision to use newspapers in a media plan differ for national versus local advertisers?
5. How do magazines and newspapers help achieve brand behavioural and communication effects?

Applied Questions

1. Explain why advertisers of products such as cosmetics or women's clothing would choose to advertise in magazines such as *Flare*, *Elle Canada*, or *Chatelaine*.
2. Select an enjoyable print ad from a magazine and apply the earlier text material. Identify the target audience, behavioural objectives, communication objectives, brand positioning strategy, and creative strategy and tactics decisions, and associate these points with the key strengths of magazines as an advertising medium.
3. Explain why advertisers of products such as smart phones or men's clothing would choose to advertise in newspapers such as *The Globe and Mail*, *Vancouver Sun*, or *Metro*.
4. What differences might one conclude exist between national newspapers and community newspapers regarding the strengths and limitations of newspapers?
5. Identify how newspapers and magazines can be used for each stage of the consumer decision-making process for automobile purchases.

CHAPTER THIRTEEN

Out-of-Home Media



Pattison Outdoor Advertising

LEARNING OBJECTIVES

- LO1** Identify the options within outdoor media for developing an IMC program and audience measurement, and their strengths and limitations.
- LO2** Identify the options within transit media for developing an IMC program, and their strengths and limitations.
- LO3** Identify the options within place-based media for developing an IMC program, and their strengths and limitations.
- LO4** Show how out-of-home media is an important element of IMC planning.

Digital OOH in IMC^A

The growth of digital out-of-home (OOH) changed the game for marketers and contributed to the 30% increase in advertising revenue for out-of-home media from 2013 to 2019. The sheer size and number of billboards attracted advertisers to place their brand messages throughout our cities, and follow-up research unearthed constructive results: 60% of Canadian shoppers and 73% of smartphone owners noticed digital billboards. Consumers who recall out-of-home ads are more likely to use their device for shopping activities such as finding store locations and researching product information, a boon for those using digital billboards and transit shelter ads.

Key features of digital outdoor media are lower production costs (e.g., no paper for the display), faster installation, improved scheduling flexibility, and increased data provision. The implementation is quick and the message is live immediately. Recent intensification and resulting data improved the ability of marketers to target audiences by location, and time of day. In fact, the creative message changes as often as an advertiser desires throughout the day, and advertisers include digital out-of-home in their IMC plan.

Ricola medicated drops launched a campaign with digital OOH to support its messages in TV, print, and social media. The four short videos showed activities where people are more likely to be screaming or cheering and superimposed a vibrating animated uvula over action such as riding a roller coaster. The message stated “it’s good to have Ricola at the ready” to save your “everyday voice” after straining with excitement.

Via Rail got its “Love the Way” campaign back on track in 2021 by demonstrating the special feeling consumers experience on their trains in a campaign with TV, digital pre-roll ads, audio ads, transit shelters, and digital OOH. Imagery in the campaign showed the movement of consumers with animated graphics that emulated a train’s movement. Research indicated significant consideration for consumers to move again after not going anywhere for quite some time, so the imagery invigorated the campaign after a hiatus.

Question

1. Why are advertisers turning to digital out-of-home media as part of their IMC plan?

Every time people step out of their home, they encounter media directing an advertising message to them. **Out-of-home media** is pervasive as it delivers advertising messages that people experience while moving throughout their town or city while accomplishing day-to-day activities. The term “out-of-home media” is adopted because it encompasses media located in public spaces beyond one’s domicile. This media generated \$438 million in advertising revenue in 2021, and increased with the growth of digital technology.

This chapter describes three out-of-home media in three parts with a similar structure. First, the chapter describes the types of outdoor, transit, and place-based media that advertisers select within the media strategy, how advertisers buy these media, and how audiences are measured and evaluated. It then summarizes the specific strengths and limitations for each media. This evaluation is generalized to account for both digital and non-digital displays. The IMC planning section explains how advertisers use out-of-home media as part of their advertising and media strategies.

LO1 Outdoor Media

Outdoor media are pervasive, and it appears that consumers are surrounded with ads. However, the amount spent on this medium is but a portion of the \$438 million spent on out-of-home media in 2021. Despite this paradox of both large and small scale, the growth of outdoor media options and the medium’s contribution to sales maintains continued appeal for advertisers. For example, a study showed that outdoor advertising has a significant effect on sales, particularly when combined with a promotion.¹ This section describes outdoor media options, their audience measurement, and their strengths and limitations as an advertising medium.

OUTDOOR OPTIONS

Outdoor media is an opportunity for advertisers to reach many consumers and present them with a creative message. The Royal Ontario Museum in Toronto innovated with outdoor media in a few downtown locations where people activated a code on the ad through Snapchat that let them view a pod of whales through artificial reality. And, while using a face lens, people could virtually swim with the whales! The campaign included TV, radio, and a life-sized chalk drawing of a whale at the museum to increase awareness of the exhibit.²

Outdoor media options include different formats of large posters, digital media equivalents of posters, and street media (also identified as “street furniture”) as shown in **Figure 13-1**. Large posters are the typical big billboard ads one sees when driving. The next column indicates that large posters expanded to digital and video formats with the growth of technology. Street media are ads displayed in a variety of locations and formats within a city or town.

Figure 13-1 Outdoor media options

Large Posters	Digital Media	Street Media
Horizontal/vertical	Horizontal	Street poster
Backlit	Superboard	Transit shelter
Spectacular	Video board	Bench/receptacle
Superboard		Bike share/rack
Wall mural/banner		Specialty

Posters are billboards in the typical horizontal (e.g., 3 metres by 6 metres) or vertical (e.g., 5 metres by 4 metres) layout. They are purchased on an individual basis or for certain GRP levels in large and mid-sized cities. Poster display ads are front-lit for visibility at night and are located in areas with high vehicle traffic volume and frequent pedestrian activity (see **Exhibit 13-1**). As this example indicates, creative communication with posters is possible with a clever message and a website address to facilitate consumer purchasing. Two other aesthetically similar outdoor ads in the campaign communicated a similar empowering and sexually affirming message to build brand awareness.³

Backlit posters are generally the same size as standard posters and have a light behind them so that they are clearly illuminated at night (see **Exhibit 13-2**). These units are located at major intersections or high-traffic-volume areas in or near major cities in Canada. Compared to the previous figure, this ad balances a verbal message with a visual message, indicating the application of creative tactic decisions within out-of-home media.

Superboards or **spectaculars** are larger displays (two to three times larger) that have a variety of sizes depending upon the media company (see **Exhibit 13-3**). These displays are sold on a per location basis due to their size and the low number of options available in major Canadian markets. *Trivisions* and *permanents* are two specialized forms. Trivisions are horizontal or vertical posters with rotating blades that allow three different ads to be shown. Permanents feature unique sizes and formats and are erected in specific locations permanently. There is considerable latitude for creativity due to the customized nature of permanents.

An interesting use of outdoor and mobile occurred when Via asked its media agency to increase train ridership by taking market share away from car trips. Touché worked with out-of-home and mobile providers to send messages before and after a car trip to suggest train travel next time. Ridership increased 12%, and contextualized messages generated stronger click-through rates than typical display and mobile ads.⁴

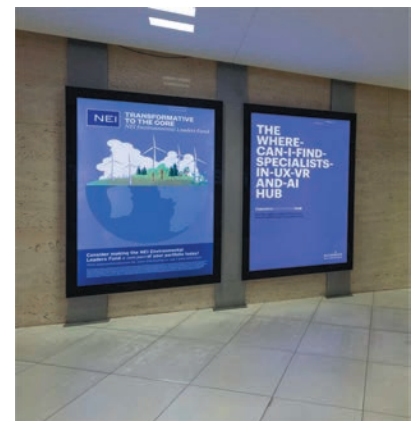
Academic research shows promising support for outdoor media. One research study found that managers rated billboard visibility and low relative cost as more influential than local presence and tangible results (e.g., sales). The most critical factors for billboard success included name identification, location, readability, and clarity. A secondary set of factors suggested IMC and visuals, while the third group indicated creative and information. This implies that allowing the target audience to clearly read the brand identification at the right place is paramount over the most creative or informative ad.⁵ A summary analysis of over 100 studies spanning 80 years concluded that consumers found billboards to be informative, entertaining, irritating, good for the economy, and positive overall.⁶ However, a large-scale sales effect study found that billboard ads did not contribute to sales for all brands across numerous product categories.⁷

EXHIBIT 13-1 Example of a poster ad.



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EXHIBIT 13-2 Example of a backlit poster.



Pattison Outdoor Advertising

EXHIBIT 13-3 Example of a superboard.



Pattison Outdoor Advertising

EXHIBIT 13-4 Murals are part of the outdoor landscape.



©Leonard Zhukovsky/Shutterstock

EXHIBIT 13-5 Example of a street poster.



Pattison Outdoor Advertising

EXHIBIT 13-6 Example of a transit shelter poster.



Pattison Outdoor Advertising

Murals and wall banners are similar to the three above outdoor options but are customized in terms of artistic design. They are sold in a few major markets in Canada (e.g., Toronto, Vancouver) with varying sizes (**Exhibit 13-4**). Murals are hand-painted and therefore more costly and less flexible, with no future use. On the other hand, wall banners are painted vinyl, costing less and having more flexibility for use in another part of the city later. These two options are usually placed in unexpected locations to attract stronger attention and drive subsequent communication effects.

Street-level posters are smaller backlit displays measuring about 2 metres by 1 metre. Media companies offer different formats across the country for street posters and each firm uses a unique name. For example, Astral (owned by Bell Media) offers three sizes with the following labels in order of size: street column, signature column, and mega column. **Exhibit 13-5** is an example of a street poster that illuminates at night and is easily visible during the day. Its central location ensures a substantial exposure level.

Transit shelters are specialized locations for street posters, and outdoor media firms like Astral provide this option in many cities and towns. Transit shelters are sold and classified as outdoor media instead of transit media because the transit organizations are usually not involved in shelter construction and media selling. The example shown in **Exhibit 13-6** illustrates how creative and colourful messages are placed where people wait for a bus. Some transit stops offer benches as a service and ads are found there as well (thus giving the furniture idea “street cred”). Finally, the latter two on the list of street media show that outdoor advertising appears everywhere. Astral signed a long-term contract with the City of Toronto to provide 25,000 pieces of furniture (i.e., transit shelters, garbage bins, benches, information pillars) worth \$200 million over 20 years, and a cut of the advertising revenue in which the city received \$168 million in the first half of the contract.⁸

Other unique *specialty* street media include many promotional opportunities. One firm, Grassroots, offers shorter-term and seemingly spontaneous forms of street advertising.⁹ *Street frames* allow very small posters to be placed in a permanent frame located outside small stores. *Wild postings* are a similar size but are placed in unexpected locations such as building façades, construction site barricades, alleyways, and skate parks, for example. *Projections* shine photos or video in public against buildings. **Mobile signage** occurs with vehicles showing some kind of display or motion ad on vehicles that travel or go to an event. In addition, the company offers the previously mentioned murals/wall banners, as well as promotional teams to execute experiential activities or sampling in public.

The major outdoor operators communicate examples of past outdoor campaigns to demonstrate how outdoor media produces awareness and other communication effects. The operators also provide maps to illustrate the locations and other relevant data (e.g., demographics). The aforementioned outdoor options are typically purchased for four weeks and provide anywhere from 25 GRPs to 150 GRPs per day, depending upon the number of displays or showings chosen within a local market. Recall from **Chapter 10** that one GRP represents 1% of the market exposed to the ad once. Thus, buying 50 GRPs possibly implies that the marketer reaches 50% of the market once per day. The costs for placing outdoor advertising are not readily available with CARD any longer; however, the locations and other basic data are still offered.

A study conducted in Europe concluded with suggestions on how to make outdoor advertising effective;¹⁰ these points are consistent with the ideas presented in the message development chapters:

- Clear branding and inclusion of new-product information enhances product recognition.
- Large amounts of text and pictures of people delay product recognition.

- Lengthy, large headlines, information cues, and humour delay brand recognition.
- Short headlines, longer body text, and a product shot enhance the creative appeal.
- Specifying a brand name in the headline or providing price information reduces appeal.

Out-of-home media strategies include all three outdoor options and transit to achieve communication effects. For example, Quark is a company based in Vancouver offering new smart-enabled baby products based. Their strategy focused on their home market initially, with multiple billboards in key city locations, 50 transit shelters, select digital displays for outdoor, and trolley buses for transit to generate awareness.¹¹

DIGITAL OUTDOOR

Figure 13-1 shows that the digital outdoor posters and large video display formats emerged in Canada, with Astral serving the Toronto, Montreal, Vancouver, Edmonton, and Calgary markets. For example, Dundas Square, near the Eaton Centre in downtown Toronto, features a 12-metre-wide by 9-metre-high full-colour video screen in addition to eight display faces and Canada's largest neon sign, at 18 metres in diameter. With its high-profile location, Dundas Square is ideal for brands to extend their media exposure (**Exhibit 13-7**).

Electronic message signs offer short ads (e.g., 6 to 10 seconds) on a one-minute rotation. As expected, both of these displays are placed in high-traffic locations in a few large urban markets, with various sizes and packages available depending on the media firm. The growth of outdoor video displays is such that the firms offer network services, thereby reaching many viewers across the country.

Application of digital technology for out-of-home media reached new heights with movement on three significant fronts. First, digital signage is a small portion of the facings in Canada, but media companies are moving toward greater penetration. Second, Bluetooth technology used with billboard ads directs messages to the smart phones of passersby. Third, considerable adaptations of Bluetooth and other technology to various types of displays permit enhanced communication. **Figure 13-2** shows data indicating acceptance of digital outdoor ad messages.

EXHIBIT 13-7 Advertising at Dundas Square in Toronto.



Torontonian/Alamy Stock Photo

Figure 13-2 Consumer responses to digital outdoor ads, % agreement with statements

	Toronto	Montreal	Vancouver
Recall past week of digital ad	56%	47%	50%
Notice digital ad vs. static poster	58%	48%	50%
Digital ads provide useful information	61%	55%	53%
Interest to interact with digital ad	50%	47%	36%

Source: COMMB, *Shoppers Attitudes of Digital OOH*

Canadian Tire claims it installed Canada's first 3-D OOH billboard in Toronto's Dundas Square and Union Station. The videos showed a dog playing with a ball and a cat approaching its food bowl. Canadian Tire's message advertises the retailer's extensive product lines for pets. Brand activation for contest entry and additional out-of-home media surrounded the 3-D display. The out-of-home media comprised one element of an IMC strategy to sway pet owners to shop at Canadian Tire. Research indicated that 60% of households are pet owners, representing a sufficient market to invest a considerable budget into.¹²

IMC Perspective 13-1 summarizes innovation in transit shelters that feature interactive communication with people's phones.

IMC PERSPECTIVE 13-1

TRANSIT SHELTERS GO DIGITAL^B

Technological advances occurred with transit shelters in major Canadian cities; notably, there was a transition to digital message delivery and the opportunity to take advantage of near field communication. Quebecor's outdoor media division made significant advances in developing a digital network among its transit shelters. In time, we may see downtown core and other high-traffic areas using only digital transit shelters as the technology advances and advertisers learn how to customize messages.



©Carlos Osorio/Toronto Star via Getty Images

Quebecor signed a 20-year deal for the 2,700 advertising faces in Montreal and initially equipped 50 shelters with large screens. The company made a similar deal in Laval and instituted digital technology in some shelters as well. The shelters all featured near field technology and Quebecor planned to add beacons for additional interaction,

allowing consumers to receive messages. Other advanced features with Quebecor's transit shelters included a code to scan to receive news, weather, and live bus schedule information, and touch screen and gesture recognition to offer creative message delivery for advertisers.

An interesting aspect of Quebecor's roster is its segmentation, with three branded networks based on geographic location in Montreal. Downtown reaches those in the business, entertainment, and cultural locales. Hip-Town reaches students and transit users in "hip" niches of the city. GoTown reaches drivers on major traffic routes. A similar approach is used for other parts of the metro area and other cities. The advantage of this is changing the message depending on the area; very specific customization can be based on lifestyle, situation, or perhaps customer group.

Quebecor communicates that digital ads are attention-grabbing, interesting, entertaining, and informative to the majority of the respondents. This is especially true as the digital screen shows multiple images over a short period of time to tell a story. It can change throughout the day (one example in the media kit showed a quick service restaurant changing its menu image from morning to evening) or over a few weeks (another example showed teaser ads for two weeks and then the unveiled image two weeks later).

QUESTION

1. Why are advertisers turning toward messages delivered by digital transit shelters?

AUDIENCE MEASUREMENT

The Canadian Out of Home Marketing and Measurement Bureau (COMMB) is a national organization comprising members from advertisers, advertising agencies, and out-of-home media firms. To assist all members, COMMB develops and verifies audience measurement methodologies and provides audience data and planning resources. It is also responsible for out-of-home industry marketing communications, government relations, and member services. In the past, two different organizations managed these two broad areas of responsibility. COMMB maintains a national database of all products for outdoor and place-based media firms in order to compile the audience measurement data. The larger firms based on the number of approved products include Astral, OutFront, and Pattison. COMMB publishes circulation and market data for approximately 60,000 out-of-home facings in 270 markets for 42 products from 20 approved media firms.

COMMB's methodology to determine advertising exposure (impressions) of out-of-home media is comprehensive with its unbiased, accurate, and independently collected quantitative data; however, the methodologies for outdoor and place-based are customized to a degree to account for the unique travel patterns associated with viewers of each media type. Important characteristics of the research are the visibility criteria which identify the number of people who have a reliable opportunity to see the message within a standardized distance for each advertising format, the use of sound statistical procedures, the inclusion of market-specific data, and reliable data collection procedures.

For the outdoor research, COMMB begins with data from municipalities for road planning purposes, which is then assessed on how it can be used for measuring the regular traffic flow. This data is adjusted for the visibility criteria, the average number

of people in the vehicle, and the number of hours an ad is illuminated. This is augmented with pedestrian data that also meets the visibility criteria in order to calculate the average daily circulation per face. As might be expected, all of this data is examined with advanced mapping technologies to visually represent the volume of people potentially exposed to an advertising message.

These circulations are applied to each poster along a certain part of the road called a link. The numbers are adjusted to account for time-of-day variations throughout the week to arrive at an adjusted circulation. An important refinement of the data is the use of GPS technology that tracks traffic moving into a Census Metropolitan Area (CMA) in Canada's five larger cities, which accounts for commuters who are exposed to advertising messages.

From this data, COMMB calculates the number of people (aged 5+) who have a reasonable opportunity to see an ad and estimates reach and frequency levels with sophisticated mathematical models. Advertisers confidently purchase the advertising space knowing that rigorous standards and exceptional research methodology provide accurate exposure levels. To facilitate their planning, COMMB offers two planning software tools. The COMMB Data Report is a comprehensive system for identifying all of the 80,000 facings with a number of reporting options. The COMMBNavigator® allows planners to select media vehicles to attain reach and frequency levels for various target audience profiles.

STRENGTHS OF OUTDOOR MEDIA

Figure 13-3 summarizes the relative strengths and limitations of outdoor compared to other media. The media characteristics and media usage characteristics correspond to those identified in **Figure 10-4**. The strengths are highlighted in bold, and this section reviews the strengths in order, and the next section reviews the limitations in order.

Figure 13-3 Summary of evaluating outdoor media

Media Characteristics	Media-Usage Characteristics
Target audience selectivity	Control for selective exposure
Target audience coverage	Attention
Geographic coverage	Creativity for cognitive responses
Scheduling flexibility	Creativity for emotional responses
Reach	Amount of processing time
Frequency	Involvement
Absolute cost per placement	Clutter
Relative cost per exposure	Media image

Geographic Coverage

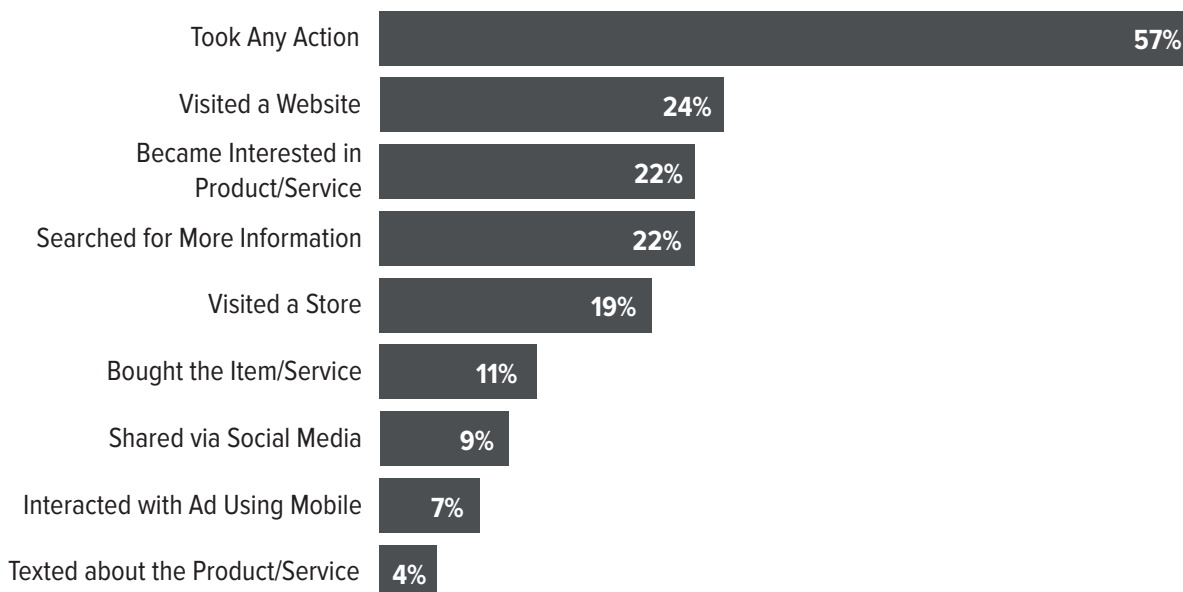
Outdoor media is placed along highways, on major roads, near stores, and in downtown areas, almost anywhere that the law permits. Coverage includes local, regional, or even national markets. The outdoor media companies are concentrated geographically, so an advertiser works with multiple firms for national coverage.

Scheduling Flexibility

Digital technology reduces production times for outdoor advertising and allows for rapid turnaround time and almost immediate placement. Scheduling of non-digital outdoor advertising is typically done on a monthly basis, and the quick production allows greater scheduling frequency for digital. As an example, Astral claims a digital ad goes live within one week of reception, and non-digital requires a three-week lead time.

Reach and Frequency

With proper placement, a broad base of exposure is possible in a given market, with both day and night presence. A 100 GRP **showing** (the percentage of duplicated audience exposed to an outdoor poster daily) could yield exposure to an equivalent of 100 percent of the marketplace daily! This level of coverage is likely to yield high levels of reach. Because purchase cycles for outdoor media are typically for four-week periods, consumers are usually exposed a number of times, resulting in high levels of frequency. Behavioural responses toward outdoor media are considerable, with extensive reach and frequency possibilities as documented in **Figure 13-4**.

FIGURE 13-4 Behavioural responses to outdoor ads in past six months

Source: Canadian Out of Home Marketing and Measurement Bureau (COMMB)

Relative Cost

Outdoor media firms offer their ad placement at very competitive CPM when compared to other media. The average CPM of outdoor ads is less than broadcast and print media.

Control for Selective Exposure

On the one hand, outdoor ads are difficult for consumers to avoid since they are so pervasive. Moreover, a consumer has little control as with television or radio to change the channel or station. On the other hand, consumers can deliberately ignore outdoor ads; however, the high profile of the ads makes this a difficult task at times.

Attention

The sheer size (e.g., billboards) of many ad options, their strategic placement (e.g., street furniture), and its creative elements of colour make outdoor advertising an attractive medium to draw the attention of the target audience.

Creativity for Emotional Responses

As shown in **Exhibits 13-1** and **13-2**, outdoor ads can be very creative. Large print, colours, and other elements attract attention and tend to generate short emotional responses that connect the target audience to the brand. Presumably this emotional involvement contributes to strong brand building, leading to strong follow-up behaviour for continued shopping due to out-of-home media, as shown in **Figure 13-5**.

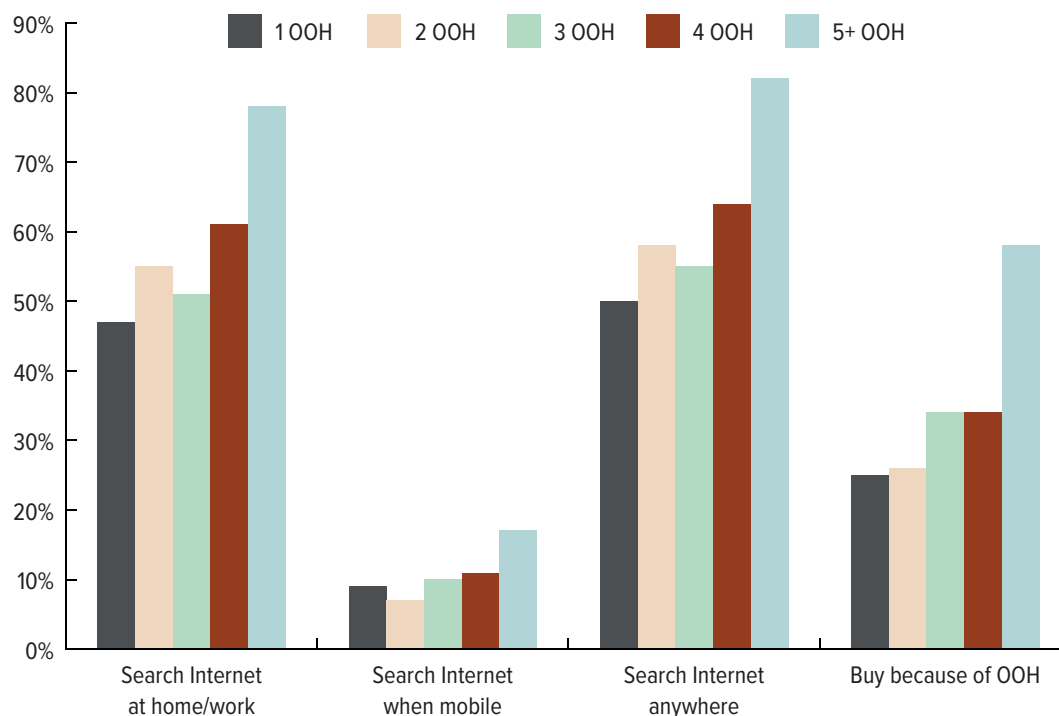
LIMITATIONS OF OUTDOOR MEDIA

Target Audience Selectivity

Reaching a specific target audience is challenging due to the broad exposure of outdoor media in general. However, strategic use overcomes this limitation, for example by using reminder ads for a type of product near retail outlets.

Target Audience Coverage

With the broad base reach of outdoor advertising, it is difficult to ensure that the specific target audience coverage is sufficient. While it is possible to reach an audience with select location placement, in many cases the purchase of outdoor ads results in a high degree of excessive coverage. It is not likely that everyone driving past a billboard is part of the target audience.

FIGURE 13-5 Behavioural effects of out-of-home advertising

Source: Canadian Out of Home Marketing and Measurement Bureau (COMMB)

Absolute Cost

A basic level of 25 GRPs per day over four weeks in ten—or even three—major cities is prohibitive for advertisers. For smaller businesses, selecting a few strategic locations in a local market could overcome this limitation. If a firm can afford outdoor media, research suggests that it improves return on investment.

Creativity for Cognitive Responses

Lengthy appeals are not physically possible in many instances, and if they were, they would have less likelihood of complete comprehension. Thus, it is expected that outdoor ads suffer from their inability to fully persuade consumers with an involved message.

Amount of Processing Time

Because of the speed with which most people pass by outdoor ads, exposure time is short, so messages are limited to a few words and/or an illustration. Despite this concern, there appears to be sufficient processing for consumers to text a response (Figure 13-6).

FIGURE 13-6 Likelihood* of texting in response to digital OOH advertising by age

*Very/Somewhat likely

Source: Canadian Out of Home Marketing and Measurement Bureau (COMMB)

Involvement

EXHIBIT 13-8 Competing messages present a challenge with outdoor media.



©Luciano Mortula/Shutterstock

The overall effect of the short repeated message is that outdoor ads tend to be considered a low-involvement media.

Clutter

By their very nature, outdoor ads have competing messages. At any streetscape or location where outdoor ads are featured, it is very likely that other messages will also be vying for consumer attention, as seen in **Exhibit 13-8**.

Media Image

Outdoor advertising has suffered image problems and disregard among consumers. This may be in part due to fatigue of the high frequency of exposures that may lead to wearout—people are likely to get tired of seeing the same ad every day. However, digital messages that can be changed quickly overcome this limitation.

LO2 Transit Media

Another form of out-of-home media is transit. While similar to outdoor in that it uses posters, digital, and video messages, transit is targeted at the millions of people who are exposed to public transit including buses, trains, subways, streetcars, light rail, and airplanes. Transit ad revenue is a noticeable but small portion of overall out-of-home revenue. This section describes transit media options and their strengths and limitations as an advertising medium.

TRANSIT OPTIONS

EXHIBIT 13-9 Example of interior transit ad.



©Pattison Outdoor Advertising

Transit media provide exposure to consumers when travelling on the public transit system. **Figure 13-7** shows that the transit options fall into three locations within the transit system: (1) inside and (2) outside the transportation vehicle (e.g., bus, train) and (3) at the transit station. As indicated, there is a degree of similarity with outdoor media and additional options that make transit an attractive media for advertisers to evaluate. To simplify, bus/train refers to all types of vehicles including subway, metro, streetcars, and light rail in which the transit media option is available for advertising.

Interior transit cards are placed horizontally above the seating and positioned in backlit units above windows and along both sides of the bus/train (see **Exhibit 13-9**). A supercard is a larger interior transit card that is much taller to convey more copy or bigger visuals. **Interior door cards** are available in major markets where there is subway-like transit. These vertical posters are placed on both sides of the doors and are about 50%

Figure 13-7 Transit media options

Transit Interior	Transit Exterior	Transit Station
Horizontal card	Horizontal poster	Poster/digital poster
Vertical poster	Superbus/train	Digital video network
Supercard	Bus/train mural	Video matrix wall
Door surround	Bus/train strips	Mural, bulkhead
Ceiling decal	Extension, headliner	Specialty wrap

larger than the aforementioned interior transit cards. Door surrounds use both types of cards and cover all available space with the brand's message and imagery. Finally, **Exhibit 13-9** also shows the option of putting a decal on the ceiling.

Exterior posters are placed horizontally on the side and back of a bus/train (see **Exhibit 13-10**). Various sizes are available depending on the media company and the transit vehicles; however, the two most common are “seventies” (0.5 metres by 1.8 metres, but named because the width of 1.8 metres is equal to 70 inches) and “king” (0.75 metres by 3.5 metres), which are seen on buses and so on.

Superbus is an innovation in transit media where an advertiser “owns” the bus/train and places a vinyl wrap of an ad on its entire surface. This is often done for a longer-term contract of a half year or full year because of the application on the bus (see **Exhibit 13-11**). Public Mobile used TTC vehicle wraps, outdoor media, and messages on TikTok for its “Mobility on Your Terms” campaign that supported its affordable independent mobile carrier positioning strategy.¹³

Bus/train strips are in the shape of the poster but longer, and made of vinyl like the wraps and murals. This is a mid-range option in transit vehicle coverage and cost. Finally, *extensions* add an extra vinyl wrap above the poster (see **Exhibit 13-11**) while the *headliner* is a small strip on the top of the bus running its entire length which can tie in with the poster.

Moving ads present a difficult measurement task for media organizations compared to non-moving ads of outdoor media (e.g., billboards). Pattison Outdoor, in partnership with a research firm, Docma, developed a planning tool to accurately estimate reach, frequency, and total impressions of moving ads like the vinyl-wrapped streetcars. The data for the tool combine multiple digital data sources to provide a comprehensive measure of advertising exposure.¹⁴

Station posters are of varying sizes and forms directed to those people within a transit station. The most common size is 1 metre by 2 metres. As **Exhibit 13-12** shows, advertisers design attractive station posters to gain attention so that consumers process the message extensively while waiting for a ride or less so while walking to their next destination. As seen with outdoor, transit stations also offer digital posters.

Digital video network is located in the transit stations in major cities. It features digital news centres with video capabilities that deliver news, sports, and weather highlights with video. *Video matrix walls* are multiple video screens compiled into one large screen to display video messages to passersby on station concourses. Elements of communication effectiveness of TV ad messages are relevant for advertisers to consider when evaluating these two options.

Transit stations provide other options in which a brand covers virtually any surface with a message and is the sole sponsor of all points of communication within that station. This includes installing murals and erecting sizable bulkheads wrapped in vinyl. Specialty wraps include different parts of the infrastructure such as walls, pillars, stairs, handrails, escalators, and payment kiosks. Transit stations offer all the options in a package called “station takeovers” or “station dominations.”

EXHIBIT 13-10 Example of exterior transit ad.



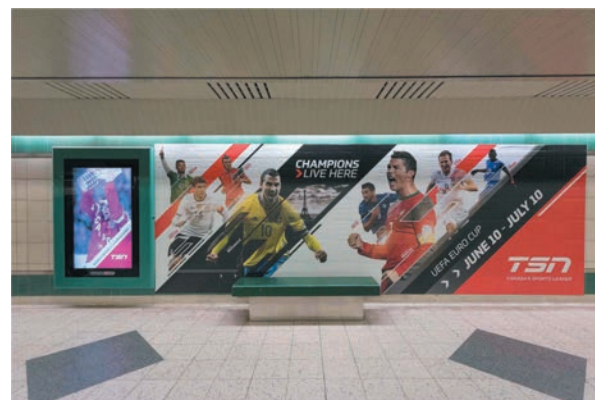
©Pattison Outdoor Advertising

EXHIBIT 13-11 Example of a bus wrap on a streetcar.



©Pattison Outdoor Advertising

EXHIBIT 13-12 Station posters can be used to attract attention.



©Pattison Outdoor Advertising

EXHIBIT 13-13 In-flight magazines are available on most carriers.



©enRoute/Bookmark

Transit media are sold in select markets on a four-week basis with a certain desired level of GRPs. The range of GRPs is quite varied, going from a low of 5 GRPs to a high of 100 GRPs. Other purchases of transit media are based on the number of showings. For example, if an operator has the rights to 400 buses or subway cars, then an advertiser could typically buy displays in varying numbers (i.e., 25%, 50%, 75%, 100%) over a four-week time period. Unlike outdoor advertising, there is no industry association to document circulation or authenticate reach and frequency levels despite their use in pricing of the media purchase.

Finally, transit media viewed while travelling *between* cities and towns presents similar and additional transit options. Free magazines are published by airlines (see **Exhibit 13-13**) and in-flight videos are common on longer flights. For example, Air Canada sells different packages depending on the type of show (e.g., news, movie) and these commercial messages can last up to three minutes. Listening to in-flight radio is a pleasant way to pass the time while flying, and offers another opportunity for advertisers to deliver an audio message beyond standard radio. Ads can be placed on collateral material such as boarding passes, ticket jackets, and meal trays.

STRENGTHS OF TRANSIT MEDIA

Figure 13-8 summarizes the relative strengths and limitations of transit compared to other media. The media characteristics and media usage characteristics correspond to those identified in **Figure 10-4**. The strengths are highlighted in bold, and this section reviews the strengths in order, and the next section reviews the limitations in order.

Figure 13-8 Summary of Evaluating Transit Media

Media Characteristics	Media-Usage Characteristics
Target audience selectivity	Control for selective exposure
Target audience coverage	Attention
Geographic coverage	Creativity for cognitive responses
Scheduling flexibility	Creativity for emotional responses
Reach	Amount of processing time
Frequency	Involvement
Absolute cost per placement	Clutter
Relative cost per exposure	Media image

Geographic Coverage

Transit media provides local advertisers an opportunity to reach a select segment of the population based on where they live or work. For example, the characteristics of people in certain city neighbourhoods will be skewed on segmentation variables like demographics. An ad purchased within a specific location leads to greater exposure for the relevant segmentation variable, providing a more efficient media buy.

Scheduling Flexibility

The capacity available for transit ads makes it fairly good for placement since ads can be produced quickly and inserted internally or externally, although large station installations require lead time.

Reach and Frequency

Transit media benefits from the absolute number of people exposed. Millions of people ride mass transit every week, providing reach to a substantial number of potential viewers. Because our daily routines are standard, those who ride buses, subways, and the like are exposed to the ads repeatedly. If a commuter rode the same subway to work and back every day, in one month

the person would have the opportunity to see the ad 20 to 40 times. The locations of station and shelter signs also afford high frequency of exposure.

Absolute and Relative Cost

Transit media is one of the least expensive media in terms of both absolute and relative costs. An ad on the side of a bus can be purchased for a very reasonable CPM.

Control for Selective Exposure

Similar to outdoor media, transit media are quite pervasive for those using the service and consumers have little control over the use of the media. For example, some murals and station domination displays take over the entire visual space.

Amount of Processing Time

Long length of exposure to an ad is a potential strength of indoor forms. The audience has nowhere else to go and potentially nothing much to do but look at ads, however people's use of smart phones diminishes this historic strength. The amalgamation of out-of-home media with digital capabilities makes extensive processing possible.

LIMITATIONS OF TRANSIT MEDIA

Target Audience Selectivity

While a strength of transit media is the ability to provide exposure to a large number of people, this audience may have certain lifestyle and/or behavioural characteristics that are not true of the target audience as a whole.

Target Audience Coverage

While geographic selectivity may be an advantage, not everyone who rides public transit and is exposed to transit media is a potential customer. For products that do not have specific geographic segments, this form of advertising incurs a good deal of waste coverage.

Attention

The smaller size and location of interior transit ads make it difficult to use the creative elements to attract attention. The movement of transit vehicles makes it difficult to perceive the message; station advertising mitigates this concern.

Creativity for Emotional and Cognitive Responses

It may be difficult to place colourful and attractive ads on cards, thus limiting their emotional content. And while much copy can be provided on inside cards, the short copy on the outside of a bus provides less rational persuasion. Again, for advertisers who can afford transit station options, this is not so much a limitation.

Involvement

Like outdoor media, with shorter copy and seemingly fleeting messages, transit ads are generally considered to be low-involvement media.

Clutter

Inside ads suffer from clutter of competing ads and outside ads feel the pressure of other street-level ads. Furthermore, the environment is cluttered in another sense as sitting or standing on a crowded subway may not be conducive to reading advertising, let alone experiencing the mood the advertiser would like to create.

Media Image

To many advertisers, transit media does not carry the image they would like to represent for their products. Thus, advertisers may think having their name on the side of a bus or in a bus does not reflect well on the firm.

LO3 Place-Based Media

The variety of out-of-home media continues to increase, and the idea of bringing an advertising medium to consumers wherever they may be underlies the strategy behind place-based media. This section summarizes the prevalent options, including both print and video messages, and highlight their strengths and limitations.

PLACE-BASED OPTIONS

Place-based media are a type of out-of-home media that reaches consumers in numerous locations in a city. **Figure 13-9** shows that advertising messages reach consumers in four broad categories where they enjoy leisure or recreational activities, are entertained, work, study, receive care, and move through public spaces. Note that some in the industry use the term “location-based media,” and some use the term “indoor advertising” for those types of places. Those listed in **Figure 13-9** have the highest incidence of place-based media, however media companies and advertisers are always looking for new avenues.

Figure 13-9 Place-based media options

Recreation	Entertainment	Professional	Public
Golf club/ski resort	Restaurant/bar	Office	Shopping mall
Sports field/arena	Arena/stadium	School	Airport
Fitness gym/club	Cinema	Medical facility	Urban path

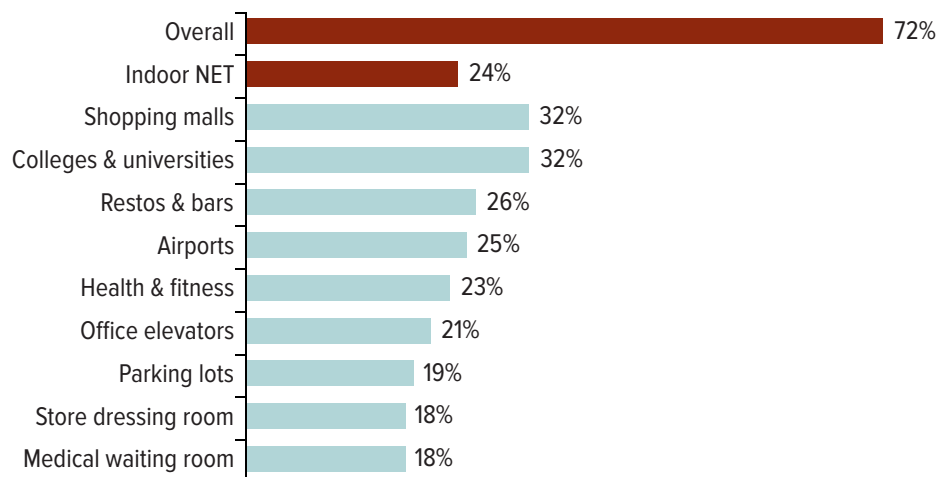
Figure 13-10 shows that Canadians are aware of place-based advertising. The delivery format at these locations is any combination of the choices described in outdoor and transit media, such as static print-like formats, standard video or a digital equivalent, and in some cases audio. Innovations allow consumers to interact with their hand-held mobile device. Astral also specializes in place-based media in restaurants/bars, campuses, arenas, and medical facilities, and offers 40,000 facings in 6,000 locations. It converted many of the facings to digital, and motion sensors allow consumers to interact with the message. Pattison is strong in airport, stadium, and urban pathway opportunities for advertisers. Astral also serves major airports.

Figure 13-10 Awareness of place-based media

	Total %	18–34 %	35+ %
Shopping mall	48	58	45
Outdoor	47	53	45
Airport	28	30	27
Public transit	25	36	21
Restaurant	25	36	20
Medical waiting room	21	23	20
Bar/nightclub	18	28	14
Office elevator	12	16	10
Health/fitness club	9	17	6

Source: Canadian Out of Home Marketing and Measurement Bureau (COMMB)

A number of place-based media are outdoor media brought into a particular environment where people spend a considerable amount of time. Posters, billboards, electronic message signs, and video displays are used in recreation locations such as arenas and venues for golfing, skiing, or fitness. Similarly these media are found in restaurants and bars, professional arenas and sports stadiums, and movie theatres. Advertising with these media in office buildings or similar venues also reaches those who are at work. Firms reach younger consumers on university and college campuses. Digital video networks seen in transit media are found in medical facilities and offices. Shopping locations, airports, and urban pathways feature virtually all options found in outdoor and transit station media, and the location placements are similar: walls, prominent central areas with heavy traffic, standalone displays, and unexpected places (e.g., elevators, escalators, stairs, dressing rooms, washrooms). Despite the prevalence of place-based media, Canadians do not believe it is too much (**Figure 13-11**).

FIGURE 13-11 Perceived amount of advertising by indoor medium: percentage having “too much” advertising

Source: Canadian Out of Home Marketing and Measurement Bureau (COMMB)

The remainder of this section illustrates place-based media in action by focusing on a few locations from **Figure 13-9**. Prominent ones to consider are shopping areas, movie theatres, and airport terminals, all of which attract high volumes of people and present interesting and useful innovations that apply to other locations.

Malls and other shopping locations provide many options for advertisers. Posters are frequently used, often backlit like the transit shelter or transit station posters, and located throughout a shopping area. The key feature of the poster in a shopping environment is that the message delivery is close to the actual purchase. These posters are sold in most markets across the country similarly to outdoor posters with individual spot buys and varying levels of GRPs. Firms also sell various sizes of mall posters for branding or interaction purposes. Advertisers use these posters for interaction purposes by including QR codes so consumers can use their smart phone and receive additional information. Video or digital displays are growing in retail locations as well.

An example of video messages occurring out-of-home at a specific location is cinema or movie theatre ads. Since the commercials last 60–90 seconds, advertisers have a unique opportunity to communicate for a longer period of time than with a typical TV ad. In fact, many of the theatre ads are also shown on television, albeit in a shortened format. Cinema ads lead other public video media as they report audience measurement information. Cineplex reported \$200 million in media revenue in 2019, comprising cinema advertising and its digital advertising networks in retail locations.¹⁵ Beyond this, Cineplex partnered with Sony Computer Entertainment Canada on the “Cineplex WorldGaming Canadian Tournament Presented by PlayStation.” This offered significant advertising opportunities for Sony, which also controlled who sponsored and advertised during the event.¹⁶

Research on consumer attitudes toward cinema ads in general found a number of sources of negativity in terms of restriction (e.g., less communication, captive, delayed gratification, minimizing escapism) and equity (unfair, time-waster, payment); however, many people enjoy the experience of specific ads (entertaining, liking the ad, involved, ad congruent with movie) as long as it is not shown too many times. It appears that this, like other media, has a tension of both positive and negative reactions.¹⁷ **IMC Perspective 13-2** highlights aspects of Cineplex’s advertising media opportunities. This represents an example of all place-based media that offer an abundance of advertising that spans almost all possible delivery formats.

IMC PERSPECTIVE 13-2

ADVERTISING WITH CINEPLEX^c

Moviegoers are an attractive option for advertisers when delivering a message just prior to the big show. The captive and happy audience is attentive in an uncluttered environment with minimal control for avoiding the ad message. From a target standpoint, consumers attend

movies at a higher rate (58%) compared to other leisure activities, such as music concerts and pubs/sports bars (34%) or live theatre, museums/art galleries, and pro sports (27%). Higher consumption skews for professionals who are well educated with higher incomes. Each

movie genre skews to a demographic, providing a degree of selective targeting for brands.

Cinema ads provide strong communication numbers for advertisers. The large screen with superior video and audio capability provides a more significant exposure compared to watching an online video on one's phone. Cineplex's Show Time ads attain 63% awareness, 85% brand association, and 37% positive ad entertainment scores. Those aware of the ad leads to significantly stronger purchase intention (31% aware versus 18% unaware). Cineplex's Pre-Show numbers attain similar levels, albeit with lower audience sizes. The Pre-Show features entertainment clips, quizzes, and the like, all supported with ads.



©GP Images/Getty Images for Warner Brothers Canada

Cineplex Media offers message delivery opportunities in its theatres beyond on-screen ads. Large digital lobby signage shows movie clips and advertising. Digital backlit posters similar to those found in digital transit shelters show full-motion HD-quality video ads on a three-minute loop. Digital lobby HD screens located above box offices and concession stands play ads within a 10-minute loop. Cineplex's interactive media zone in 44 theatres presents four high-resolution screens with touch capability and gesture and skeletal tracking. It also allows users to

create content for sharing on social media. Services include custom creative support; scheduling flexibility by theatre, city, or national exposure; and processing analytics by capturing a user's experience with a camera.

While waiting in locations throughout the theatre, a movie fan reads *Cineplex Magazine* to catch up on the latest news about movie stars or upcoming releases. Brands place messages in the magazine along with the above options to increase reach and frequency. Cineplex sells digital ads on its website and app. Its website has 8 million average monthly unique visitors and 42 million average weekly page views. Its app has 1 million average monthly unique visitors and 23 million average weekly page views.

Cineplex Media extended its communication to all facets of the movie experience and branched out beyond. It offers massive digital posters with its Oxford Malls Network, which features large HD screens showing ads within its own channel. Its shopping media includes other standards like regular sized digital backlit posters, activation signage, and elevator and escalator wraps. Cineplex Media established TimsTV in over 2,300 coffee outlets for national and regional ad opportunities. Follow-up research demonstrated that the network reached substantial numbers, provided higher brand recall numbers, and enjoyed considerable positive reaction from consumers. A similar TV option is available in 10 major Canadian business centres with its Concourse Network, and the company offers advertising options in Ontario at 20 highway rest stop buildings containing restaurants.

Cineplex maintains its audience attendance with a number of promotional activities to ensure advertisers reach large audiences. Cineplex regularly runs blockbuster ads and event marketing activities to attract consumers to the big screen. It offers its own loyalty card program in partnership Scotiabank's loyalty program.

QUESTION

1. In what way is advertising through Cineplex effective?

EXHIBIT 13-14 While picking up luggage, airport travellers viewed an ad encouraging them to consider certain products.



Roberto Machado Noa/LightRocket via Getty Images

Airport terminals have extensive advertising media since they are similar to a mall with shopping concourses and restaurant areas and high volumes of consumers passing by. Pattison lists the following options: gateway TV, many digital choices (carousel, flight information display, interior horizontal poster, matrix wall, pylon, ribbon, showcase, poster, and kiosks), and many non-digital choices (spectacular, poster, and displays) (Exhibit 13-14). This shows the pervasiveness of messaging possible in a public space with millions of consumers per year.

An exploratory study of airport terminal advertising reports the following conclusions:¹⁸

1. Ads are more likely to be processed when in the main concourse or near retail outlets.
2. The situational variable of the person's activity influences their degree of processing.
3. Repetition of a simple message is necessary, but with less frequency.

4. Elements of the ad influence recall and recognition differently, thus necessitating decisions on design and communication objective.
5. Frequent flyers' responses are strong up to a point then taper off after receiving a repetitious message.

Place-based media became experiential as marketers presented their brands in public places. Moving beyond ads, sales promotions, and even digital communication, brands saw the need to allow consumers to participate in a demonstration of product usage to fully enjoy what it has to offer. **Exhibit 13-15** shows how Budweiser brings the red light to consumers in public locations.

EXHIBIT 13-15 Budweiser takes its TV imagery to the streets for consumers to see.



Roberto Machado Noa/LightRocket via Getty Images

STRENGTHS OF PLACE-BASED MEDIA

Figure 13-12 summarizes the relative strengths and limitations of place-based to other media. The media characteristics and media usage characteristics correspond to those identified in **Figure 10-4**. The strengths are highlighted in bold, and this section reviews the strengths in order, and the next section reviews the limitations in order.

Figure 13-12 Summary of Evaluating Place-Based Media

Media Characteristics	Media-Usage Characteristics
Target audience selectivity	Control for selective exposure
Target audience coverage	Attention
Geographic coverage	Creativity for cognitive responses
Scheduling flexibility	Creativity for emotional responses
Reach	Amount of processing time
Frequency	Involvement
Absolute cost per placement	Clutter
Relative cost per exposure	Media image

Target Audience Selectivity

The main purpose of place-based media is to reach a specific target audience or to reach the target audience while closer to the purchase decision in terms of time and space. For example, ads in fitness clubs could contain messages for athletic gear, and mall posters could have ads for brands that are sold in retailers located in the mall. Targeted travel ads directed to those watching World Cup soccer in nationalistic bars provided exceptional selectivity for those desiring to visit their home country.¹⁹

Absolute and Relative Cost

The absolute cost and CPM are generally reasonable compared to other media options.

Control for Selective Exposure

Since many of these media options have captive or nearly captive audiences, the opportunity for consumers to avoid the ads or direct their attention elsewhere is minimal compared to other media. For example, ads on the walls of restaurants, bars, gyms, etc., will be noticeable by customers enjoying the service.

Attention and Involvement

With the above strengths of many place-based media options, the collective conclusion suggests that the target audience may be more involved with the advertising message than similar media in different contexts. The growth of video and digital messages in many locations offers greater opportunity to gain attention, and with a degree of target audience selectivity the creative can be customized with appropriate headlines for print messages.

Creativity for Cognitive and Emotional Responses

Because the target and place are intertwined, the message may generate more in-depth cognitive responses or stronger emotional responses. For example, creative lifestyle messages can be prominent in poster ads located in clubs or bars. Large-scale spectacles have been used to create fantastic visual effects to generate positive feelings. The special mood created in the movie theatre compared to at-home consumption makes the experience richer, and advertisers use theatre ads as an emotional spike that can transfer to the product more readily, especially if the theatre is located next to a mall or store where the product may be sold.

LIMITATIONS OF PLACE-BASED MEDIA

Target Audience and Geographic Coverage

The logistical availability of these types of media makes full target audience coverage difficult or quite challenging to implement, and it is nearly impossible to get complete geographic coverage.

Scheduling Flexibility

While not a complete or comprehensive limitation, the logistics of changing place-based media, which is done on a monthly basis, put certain restrictions on an advertiser for scheduling a timely message. Placement for cinema ads generally requires eight weeks, and category exclusivity in certain distribution outlets further limits the availability and scheduling ease of this media option.

Reach and Frequency

Place-based media plays more of a supporting role to other media since it is very difficult to ensure high levels of either reach or frequency. Exceptions can be considered, but in general media planners will look for other media to maximize these two factors.

Amount of Processing Time

For the most part, place-based media suffer from very short messages to target audiences who are likely preoccupied with other tasks. Evidence of strong recall suggests that the processing may be stronger for more creative executions, where additional processing occurs.

Clutter

The clutter that consumers perceive while watching television may be similar as the video displays generally play a block of commercials, although this can be lessened in options like cinema ads where one or two video ads could run. Similarly, locations have multiple posters of varying sizes, thus giving a similar clutter experience as reading a newspaper or magazine.

Media Image

Place-based media are exposed to consumers when they do not expect a selling message to occur, which may cause displeasure. Consumers appear to be generally accustomed to ads in malls since they are so similar to the store signage.

LO4 IMC Planning: Strategic Use of Out-of-Home Media

Previously, the strategic use of out-of-home media seemed like an oxymoron, as it appeared in promotional planners' budgets after money had been allocated to other more "valuable" media. An IMC perspective toward media selection provides a new look at how outdoor, transit, and place-based opportunities achieve communication and behavioural objectives, primarily at the pre-purchase and purchase decision stages.

For the most part, outdoor, transit, and place-based media tend to have two primary objectives. The first is awareness, as these media share common strengths of a low CPM with extensive reach and frequency levels in the geographic areas in which the media are located or placed. The second is the ability to use clever images and headlines or very short copy messages, which permits these messages to have emotional relevance to help ensure brand recognition or recall. Moreover, these two design elements can be consistent with creative messages from other media to ensure additional message frequency with the intention to build awareness more strongly.

In general, these media are limited in their ability to build category need or influence brand attitudes beyond maintaining the current attitude of the target audience. Many brands will use these media as an inexpensive, yet cost-effective means of communicating simple brand preference messages directed toward current customers or messages to reinforce the general market position of the brand to all potential consumers. Given the limited nature of these media to influence attitudes extensively with short messages, they typically are good for building communication effects at the pre- and post-purchase stages.

Most place-based media typically offer the opportunity for promotional planners to achieve a second objective: brand purchase intention. Since the messages for place-based media are context-dependent in terms of location or time, they can provide the right situational motive to inspire a store visit or more immediate sale. Particular place-based media, like movie theatres, are vehicles for additional exposure of the more traditional broadcast and print media ads and thus permit strong brand positioning strategy opportunities. As noted in the chapter, movie theatres can show longer and more specialized ads that brands may be reluctant to show in a broadcast environment.

Given the broad reach and public nature of these media, often they are more general and have a less clear behavioural objective. However, given that many messages are reinforcing existing attitudes, it appears a substantial number of these ads attempt to influence repeat purchasing. Application of out-of-home messages including connections to mobile hand-held devices suggests greater opportunity for brand switching for trial purchases.

From an integration perspective, out-of-home or transit media provide additional frequency of a creative message that has been placed in broadcast or print media. Typically, advertisers do not use these media for executing sales promotions except in poster locations. This medium is sometimes used for public relations, direct marketing, or Internet applications.

Learning Objectives Summary

LO1

Identify the options within outdoor media for developing an IMC program and audience measurement, and their strengths and limitations.

This chapter introduced three out-of-home media available to marketers: outdoor, transit, and place-based. Within each, there are digital and non-digital options for promotional planners to use to achieve their objectives. The digital capabilities are one reason why out-of-home media ad revenue continues to grow. The media options let

advertisers creatively express their brand message in a perfect location depending on where people live, work, or play. Outdoor media is all around us in formats such as large posters, interactive digital versions of posters, full video displays, and street media.

Outdoor advertising audience measurement is very strong in Canada. The industry association COMMB established a strong research methodology for ensuring accurate estimates of exposure levels. This research has expanded to place-based media such as those found in restaurants and hotels as well as health and fitness outlets. Documentation for transit audiences is less thorough, although a degree of assessment is possible.

The public nature of outdoor media leads to high numbers of people reached who cannot avoid seeing the messages. This suggests relatively positive cost efficiency that allows advertisers to extend their frequency levels. Also, the options for creativity for emotional responses are significant as one strolls through the city. However, the broad appeal makes selectivity a challenge, absolute costs are high but getting lower with digital, and consumers usually do not spend much time looking at outdoor ads in a cluttered media environment.

LO2 Identify the options within transit media for developing an IMC program, and their strengths and limitations.

Transit media lets advertisers place media inside and outside the bus/train and at the transit stations. The many types of public transit vehicles include buses, trains, subways, metro, light rail, streetcars, and airplanes. The options presented are mostly common across all vehicles, although a few inconsistencies may be found by advertisers. Like outdoor media, digital options have grown over the past decade and advertisers can change their message quite quickly and easily.

Transit media's strengths and limitations are comparable to outdoor, although the cost is substantially lower and to some degree the media image is not as strong. Audience measurement of transit is not overly strong compared to outdoor, but the count of transit users is reasonably well known from sales of monthly passes etc.

LO3 Identify the options within place-based media for developing an IMC program, and their strengths and limitations.

Place-based media are in recreation, entertainment, professional, and public spaces. Much of the format and digital technology seen in outdoor is used in place-based media, although adjustments are made as necessary depending on the size. For example, some of the recreational placements are smaller, to fit in restaurants or fitness facilities. On the other hand, airports feature large-scale digital posters and video displays that rival outdoor ads.

Place-based media allows advertisers to offer creative messages in key locations to reach consumers at the right time for influencing their purchase, thus obtaining strong selectivity. With a reasonable absolute cost and good cost efficiency, advertisers find this an attractive media.

LO4 Show how out-of-home media is an important element of IMC planning.

In many instances, IMC planners require broad exposure levels for the brand name and basic positioning message to be reinforced for many consumers. Out-of-home media is very good at achieving these tasks, and with the development of digital communication, these media are contenders for initiating consumer contact for product information or participation with various kinds of brand experiences or sales promotions. As such, their potential for moving into the realm as a primary medium continually improves over time. Out-of-home is also quite strong at influencing consumers when they are at the purchase decision as the messages are near where they would make a purchase.

Review Questions

1. Explain how out-of-home ads can be creative and foster emotional responses. Why would brands use outdoor ads for this purpose?

2. Who is most influenced by exterior bus/train ads?
3. Why do advertisers consider place-based media to be a good part of their media mix?
4. How do out-of-home media help achieve awareness objectives?

Applied Questions

1. Find a creative outdoor ad and discuss with one of your friends what makes it creative.
2. Travel on a bus/train to school (or elsewhere) and record all the ads that you discover on your trip. Is there a pattern or commonality among the messages?
3. While travelling through a town or city, look for the most unusual place-based ad and decide whether it represents effective advertising.
4. Explain how out-of-home media might be used as part of an IMC program. Take any three of the media discussed in the chapter and explain how they might be used in an IMC program for automobiles, smart phones, and Internet services.

CHAPTER FOURTEEN

Sales Promotion



GURU Organic Energy Corp.

LEARNING OBJECTIVES

- LO1** Explain how sales promotion is a strategic decision in an integrated marketing communications program and examine why it is increasingly important.
- LO2** Identify the objectives, strategy, and tactical components of a sales promotion plan.
- LO3** Describe consumer sales promotion strategy options and evaluate the factors to consider in using them.
- LO4** Describe trade sales promotion strategy options and evaluate the factors to consider in using them.
- LO5** Apply key IMC issues related to sales promotion decisions.

A Sales Promotion Win for Guru^A

Guru Energy originated from Quebec in 1999 and included sales promotion in their IMC programs. From the start, Guru faced the problem of differentiating the brand from Red Bull, Monster, and Rockstar who collectively accounted for 90% of the market. Guru Energy's plant-based, organic, and natural ingredients gave it a clear advantage.

In addition, Guru's product line of energy drinks and sparkling waters are GMO-free, gluten-free, and vegan. Millennials appeared a logical target audience since 50% consume energy drinks and 74% do not prefer the ingredients of the three leading brands, but questions remained. How important were these characteristics? Can Guru communicate the ingredients so that they become associated with an unknown brand?

In-store sales promotion through point-of-sale displays activated purchases in convenience stores considerably by securing shelf-space, letting consumers see the product easily. By mid-2021, Guru achieved distribution in 3,000 convenience store locations and added new consumer sales promotions to the mix. The brand launched a partnership with Prana, a healthy snack food brand. Consumers purchasing an "energy combo" of a Guru drink and Prana snack received a chance to win one of three prizes: a hike in the Rocky Mountains, an urban getaway to Vancouver, or a sea kayaking adventure in Quebec's Gaspé region.

In January 2022, Guru partnered with PepsiCo and ski hills to more widely distribute its product. At these locations, the brand established sampling events to ensure greater reach of the tasting experience to increase trial. In the spring of 2022, Guru established a "With Plants" campaign by using out-of-home, digital, and print media. Positioning focused on identifying Guru as a natural energy drink. The brand carried on with sampling in major cities. A contest provided the winner with a trip to the Amazon. Entry occurred by consumers scanning a QR code. Point-of-sale information communicated how its plant-based energy drinks provide fuel for people to accomplish their everyday goals. The formats included dual shippers, cooler clings, danglers, posters, and headers.

In the summer of 2022, Guru implemented the "Good Energy for the Everyday" national campaign. This strategy featured digital, social, and out-of-home media, sampling, events, and festival sponsorship. Guru also partnered with *Amazing Race Canada* with product placement.

Question

1. What is your opinion of Guru's IMC program with its reliance on sales promotion?

Advertising alone may not convince consumers to switch brands, try a new product category, or buy the same brand purchased previously, so marketers use consumer sales promotions to influence their purchase behaviours. Consumers receive sales promotions through media or directly and also encounter them when shopping in retail locations. For example, an in-store sample or a coupon offer usually occurs because of sales promotion expenditures directed to store owners. Thus, marketers use trade sales promotions to motivate retailers to perform promotional activities to support their brand when consumers are shopping. In fact, most IMC programs coordinate consumer and trade promotions with advertising, direct marketing, digital campaigns, and salesforce efforts.

This chapter presents a comprehensive review of consumer and trade sales promotions. First, the chapter defines and explains the purpose of sales promotion and identifies the content of a sales promotion plan. In the next two sections, the chapter identifies the objectives and then the strategy and tactics of consumer and trade sales promotions. The IMC planning section considers how sales promotion is integrated with other promotional mix elements in the IMC program.

LO1 Sales Promotion

Of all the IMC programs available to a promotional planner, sales promotion, with its variety of characteristics and types, allows brands to achieve multiple objectives and provides the opportunity to enhance an IMC plan. This section reviews the characteristics and types of sales promotion in this section and highlight the reasons why sales promotion has grown so tremendously, thus indicating its relative strengths.

CHARACTERISTICS OF SALES PROMOTION

Sales promotion is a direct inducement within an action-focused marketing event that offers an extra value or incentive for the product to the salesforce, distributors, or the ultimate consumer with the primary objective of influencing customer and potential customer behaviour which may include an immediate purchase.¹ This expanded definition of sales promotions indicates two distinguishing features.

First, sales promotion involves an inducement that provides an *extra incentive* to buy. This incentive is usually the key element in a promotional program: It may be purely financial (i.e., coupon, price discount, refund or rebate), emotionally based (i.e., opportunity to enter a contest, premium), value-oriented (e.g., extra amount of product, sample a free product), or experiential (i.e., attend a marketing event). The financial incentive is extrinsic while the intrinsic non-financial incentives are hedonic in nature, demonstrating entertainment, personal exploration, and value expression.² One study investigated consumer reactions to online promotions and found slightly stronger recall levels for non-financial offers.³ Furthermore, sales promotions also reinforce consumers' feelings about themselves, as finding deals is seen as an achievement and a personal reward for being a good shopper, thereby increasing the frequency of purchases.⁴

Second, sales promotion is essentially an *acceleration technique*, designed to speed up the buying process of consumers and maximize sales volume.⁵ By providing an extra incentive, sales promotion techniques can motivate consumers to purchase a larger quantity of a brand or shorten the purchase cycle by encouraging consumers to take more immediate action. Sales promotion attempts to maximize sales volume by motivating customers who have not responded to advertising. The ideal sales promotion program generates sales that would not be achieved by other means. However, sales promotion offers may end up being used by current users of a brand rather than attracting new users.

TYPES OF SALES PROMOTION

As shown in **Figure 14-1**, sales promotions are directed to consumers and trade members. Activities involved in **consumer sales promotion** include samples, coupons, premiums, promotional products, contests and sweepstakes, refunds and rebates, bonus packs, price discounts, and event marketing. These promotions are directed at consumers, the end purchasers of goods and services, and are designed to induce them to purchase the marketer's brand. Consumer promotions are also used by retailers to encourage consumers to shop in their particular stores. Sales promotion can also be directed to intermediaries like wholesalers, distributors, and retailers, known as trade members. **Trade sales promotion** includes dealer trade allowances, point-of-purchase displays, cooperative advertising, contests and incentives, sales training programs, trade shows, and potentially other programs designed to motivate organizations in the distribution channel to carry and merchandise a product.

Figure 14-1 Types of sales promotion activities

Consumer Sales Promotions	Trade Sales Promotions
Sampling	Trade allowances
Coupons	Point-of-purchase displays
Premiums	Cooperative advertising
Promotional products	Contests and incentives
Contests/sweepstakes	Sales training programs
Refunds/rebates	Trade shows
Bonus packs	
Price discounts	
Event marketing	

Marketing programs usually include both trade and consumer promotions, since motivating both groups maximizes promotional effectiveness. Programs designed to persuade the trade to stock, merchandise, and promote a manufacturer's products are part of a **promotional push strategy**. The goal of this strategy is to push the product through the channels of distribution with promotional activities. A push strategy tries to convince resellers that they can make a profit on a manufacturer's product and to encourage them to order the merchandise and communicate and promote the brand to their customers. Company sales representatives call on resellers to explain the product, discuss the firm's plans for building demand among ultimate consumers, and describe and offer the trade promotion programs. The company may use **trade advertising**, generally publications that serve the particular industry, to generate reseller interest.

Companies also employ a **promotional pull strategy**, spending money on sales promotion efforts directed to the ultimate consumer with the goal of creating demand among consumers. Effort directed toward the end user encourages the reseller to stock and promote the product. Thus, stimulating demand at the end-user level pulls the product through the channels of distribution. For example, the paint brand CIL developed a creative method of communicating its “Beauty on a Small Budget” contest. The message showed a miniature room in need of redecorating to symbolically show consumers they did not have to spend much to give a room a fresh look (see **Exhibit 14-1**). A 15-second pre-roll and a one-minute film linked consumers to the brand’s Internet site to enter a contest. Participants learned that they would document their redecorating project on social media with a chance to win a \$500 gift card from Home Depot. Sales grew 23% and 7.6 million exposures occurred for the online video, leading to significant social media activity.⁶

Whether to emphasize a push or a pull strategy depends on a number of factors, including the company’s trade relations, its promotional budget, and demand for the firm’s products. Companies with favourable channel relationships may prefer to use a push strategy and work closely with channel members. A firm with a limited promotional budget may not have the funds for consumer sales promotion and may build distribution and demand by working closely with resellers. When product demand is positive because of its unique benefits, superiority over competing brands, or consumer popularity, a pull strategy may be appropriate.

GROWTH OF SALES PROMOTION

Historically, advertising received the most allocation of the promotional budget in IMC plans for consumer products. Over time, the proportion allocated to sales promotion rose due to increased trade promotion and more attractive and creative consumer promotions. Now, sales promotion is a strategic decision in an IMC program. Factors found in a situation analysis influenced this evolution: strategic importance, reaching a specific target audience, promotional sensitivity, declining brand loyalty, brand proliferation, short-term focus, accountability, power of retailers, and competition.

Strategic Importance

Previously, sales promotion specialists participated in planning after key strategic branding decisions were made to develop a promotional program that could create a short-term increase in sales. Now, companies include promotional specialists as part of the strategic brand-building team, and promotional agencies offer integrated marketing services and expertise to enhance brand equity. Critics contend that, if spending more on sales promotion at the expense of advertising continues, brands may lose the equity that advertising helped create. However, not all sales promotion activities detract from the value of a brand, as the next example illustrates.

Nivea coordinated a contest with its pop-up store and other promotions to celebrate its 100th anniversary (see **Exhibit 14-2**). “We know from our proprietary research that our consumer is totally interested in educating themselves about skin care,” commented one executive. As such, after a visit to the pop-up store and a skin care consultation, consumers received a branded bag containing their after-effects photo, samples, and coupons, and were offered a chance to win a \$10,000 “body and soul regimen for two” featuring the services of a beauty and well-being expert, a Nivea skin care expert, a massage therapist, a fashion stylist, a personal trainer, a chef, and a nutritionist. One hundred gift sets rounded out the prize list. Other promotion of the contest included direct mail, national magazine ads in both languages, and a microsite.⁷

EXHIBIT 14-1 CIL’s creatively communicated its pull strategy.



©PPG

EXHIBIT 14-2 Nivea implemented a comprehensive sales promotion program.



Michael Loccisano/Getty Images for Nivea

Reaching a Specific Target Audience

Marketing efforts focus on specific market segments, and firms use sales promotions to reach geographic, demographic, and psychographic audiences. Sales promotion programs can also be targeted to specific user-status groups such as customers or non-customers, as well as non-category users or light versus heavy users. Sales promotion is a primary vehicle for geographic-based programs tied into local flavour, themes, or events. For example, Happy Planet branded its contest “Happy Effect,” with the winner receiving a trip to Mali that featured a celebration of female farmers. The location and excursion fit with the brand’s sourcing of ingredients from small-operation farms owned by women in Africa. The target of young enviro-conscious consumers enjoyed the animated message to enter the contest by inputting a promo code found on the cups.⁸

Promotional Sensitivity

Marketers use sales promotion because consumers respond favourably to the incentive. Since the incentive is financial, emotionally based, value-oriented, or experiential, it seems likely that consumers for most goods and services typically look for a little extra, which is consistent with economic theory. Buying a product with a sales promotion is a routine response behaviour for promotion-sensitive consumer segments who only buy when there is a “deal.”

Declining Brand Loyalty

Consumers are generally willing to buy their preferred brand at full price without any promotional offer. However, consumers can also be loyal coupon users and/or are conditioned to look for deals when they shop. They may switch back and forth among a set of brands they view as essentially equal. These brands are all perceived as being satisfactory and interchangeable, and favourable brand switchers (discussed in **Chapter 3**) purchase whatever brand is promoted.

Brand Proliferation

EXHIBIT 14-3 A premium offer is used to provide extra incentive to purchase Lucky Charms.



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New brands entering mature product categories may lack significant advantages that an advertising campaign can communicate. Thus, these companies may depend on sales promotion to encourage consumers and trade members to try or to adopt these brands. Marketers also rely on sales promotion to achieve consumer trial of their brand’s extensions (**Exhibit 14-3**). Marketers face competitive pressure to obtain shelf space for new products in stores as retailers favour new brands with strong sales promotion support.

Short-Term Focus

Marketing plans and reward systems usually focus on short-term performance measures of quarterly and yearly market share and sales volume. Marketing or brand managers use promotions to stimulate immediate stocking of product into retail stores to enhance sales and achieve their marketing objectives. Managers view consumer and trade price-oriented promotions, which are also supported by the brand’s sales personnel, as a dependable way to generate short-term sales. Critics contend that the brand management system contributed to marketers’ increased reliance on price-oriented sales promotions at the expense of activities like influential brand positioning messages, value-based promotions, or other IMC programs to continually build the brand.

Accountability

Senior management puts pressure on marketing or brand managers and the salesforce to produce an acceptable return on investment of marketing expenditures. In companies struggling to meet their sales and financial

goals, top management is demanding measurable, accountable ways to relate promotional expenditures to sales and profitability. Managers held accountable to producing results use sales promotions since they cause a quick and easily measured jump in sales as compared to advertising, which takes longer to show impact and the effects are more difficult to measure.

Power of Retailers

Marketers also feel pressure from the trade as retailers demand sales performance from their brands. Real-time data available from computerized checkout scanners makes it possible for retailers to monitor promotions and track the results generated on a daily basis. With optical checkout scanners and in-store computer systems, retailers estimate how quickly products turn over, which sales promotions are working, and which products make money. Retailers use this information to analyze sales of manufacturers' products and then demand discounts and other promotional support from manufacturers of lagging brands. Companies that fail to comply with retailers' demands for more trade support may have their shelf space reduced or have their product dropped.

Competition

Manufacturers rely on trade and consumer promotions to gain or maintain competitive advantage. Exciting, breakthrough creative ideas are difficult to achieve on a regular basis, so there is an over reliance on sales promotion at times. Companies tailor their trade promotions to key retail accounts and develop strategic alliances with retailers that include both trade and consumer promotional programs to achieve differentiation. A major development is **account-specific marketing**, whereby a manufacturer collaborates with an individual retailer to create a customized promotion that accomplishes mutual objectives.

IMC Perspective 14-1 picks up on a few themes described in the section with the context of contests that continue to interest advertisers to attain their objectives.

IMC PERSPECTIVE 14-1

IMC PROGRAMS WIN WITH CONTESTS^B

Contests continued to make gains by brands driven to attract or retain customers. Brands built brand equity communications and activities into their broad IMC strategies with contests.

Boursin wanted to sway consumers to eat the spreadable cheese for regular everyday situations like brunch rather than special occasions. Its contest offered customers a chance to win a Smeg home appliance kit to make it happen! Communication of the "Cheese Up Your Brunch" campaign included stackable displays, mini danglers, recipe cards, posters, and shelf-talkers. Media placement occurred on Instagram and food-related TV programs.



Hilton Worldwide

Harry Rosen launched its "Marry Rosen" contest due to expected growth in weddings during 2022 after numerous postponed nuptials during the previous two years. Executed during July on Instagram, the contest received dozens of entries. Two male winners celebrated their

union on the retailer's rooftop patio with the premium brand picking up the costs of the clothing attire, decor, and catering as part of the prize.

Fruity Pebbles and Cocoa Pebbles established an extensive IMC program that included a contest with its return to the Canadian market in 2022. The #CreateWithPebbles campaign featured a pop-up playground where kids could play, build, and create to earn tokens for buying branded merchandise. The national contest encouraged children to get creative with the cereal and show their innovation on Instagram to win branded prizes. Media support included social media in many vehicles along with paid influencer promotions.

During the summer of 2022, Mucho Burrito launched its "Fuel Up and Go" instant-win contest. When customers bought a burrito combo they had the chance to win a \$2,500 gas gift card. Later, the Mexican food quick-serve restaurant launched its "Build Your Own Burrito" contest in Alberta. Participants posted their BYOB on social media, and the winner won placement of their creation on the menu and received a 1% royalty on all sales. The contest theme celebrated an Alberta singer's burrito creation that the brand offered to customers.

"Hilton on the Green" is a one-bedroom pop-up hotel room located on the third hole of the golf course hosting the Canadian Open. The brand offered winners a stay in the unique accommodation while watching the tournament. Communication included a dedicated contest website, public relations, influencers, social media, and content.

Wine brand Bodacious and beauty brand Shiseido partnered in a "Find Your Fierce" campaign. Shiseido placed

lipstick mini sticks with bottles of Bodacious wine bottles in Ontario and British Columbia. Neck tags communicated a contest, offering winners prizes like beauty kits and gift cards. Shelf-talkers, backer cards, and in-store displays provided additional contest information. Digital communication enhanced excitement with an Instagram Live event and short video ads.

QUESTION

1. Why do brand managers see contests as an effective sales promotion?

LO2 Sales Promotion Plan

This section examines the content of a sales promotion plan. First, it identifies objectives for sales promotion programs. Next, the section explains why the sales promotion decisions are strategic options. Finally, it describes the key tactics that are critical for all sales promotions. Consumer market examples illustrate these ideas, and application to the trade market is apparent once the plan is understood.

OBJECTIVES OF CONSUMER SALES PROMOTION

Marketers plan consumer promotions by conducting a situation analysis and determining the purpose of sales promotion in the IMC program. They decide what the promotion is designed to accomplish and to whom it is targeted. Setting clearly defined objectives and measurable goals for sales promotion programs is consistent with the planning process of **Chapter 1**. While the goal is to induce brand purchase, the marketer may have different objectives for new versus established brands or new versus current customers—such as trial purchase, repeat purchase, consumption, and brand equity—that are consistent with the behavioural and communication objectives of **Chapter 5**.

Trial Purchase

EXHIBIT 14-4 Gillette used a sample and coupon to promote trial.



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An important use of sales promotion is to encourage consumers to try a new good or service. New products introduced to the market may fail due to a lack of promotional support needed to encourage initial brand trial by enough consumers. Also, new versions of existing brands that do not offer additional unique benefits may flounder without promotions that induce trial. Thus, sales promotion is important for new brand introduction strategies; the level of initial trial can be increased through techniques such as samples, coupons, and refund offers (see **Exhibit 14-4**).

A trial purchase objective is also relevant for an established brand that uses a sales promotion to attract non-users of the product category, which can be difficult, as these consumers may not see a need for the product. Sales promotions can appeal to non-users by providing an extra incentive to try the product, but a more common strategy for increasing sales of an established brand is to attract consumers who use a competing brand by giving them an incentive to switch (e.g., sample, coupon).

Repeat Purchase

The success of a new brand depends not only on getting initial trial but also on inducing a reasonable percentage of people who try the brand to repurchase it and establish ongoing purchase patterns. Promotional incentives such as coupons or refund offers are included with a sample to encourage repeat purchase after trial. For example, when Peek Freans introduced its Lifestyle Selections brand of cookie, it distributed free samples along with a 50-cent coupon and a contest offer with the winner receiving a trip to Las Vegas. The samples allowed consumers to try the new cookie, while the coupon provided an incentive to purchase it.

A company can use sales promotion techniques in several ways to retain its current customer base through continued repeat purchases. One way is to load them with the product, taking them out of the market for a certain time. Special price promotions, coupons, or bonus packs can encourage consumers to stock up on the brand. This not only keeps them using the company's brand but also reduces the likelihood they will switch brands in response to a competitor's promotion.

Consumption

Marketing managers responsible for established brands competing in mature markets—against established competitors, where consumer purchase patterns are well set—try to ensure continued or increased consumption. Awareness and brand trial of an established brand is generally high after cumulative advertising effects, and sales promotion can generate new interest in an established brand. One way to increase product consumption is by identifying new uses for the brand. Sales promotions like recipe books or calendars that show ways of using the product can accomplish this. Sales promotion also can stimulate consumption of the existing household stock of product. For example, the Bud Red Light, a premium installed in people's homes, shines when their team scores, which possibly reminds loyal drinkers to head to the fridge for another round.

Brand Equity

Finally, consumer promotions enhance or support a brand's IMC effort. Although maintaining or building brand equity and image is accomplished by media advertising, it is also an important objective for sales promotions. Companies expect their promotion agencies to think strategically and develop programs that achieve objectives beyond an increase in short-term sales. A sales promotion offer and its associated product message is expected to involve the consumer and reinforce the brand positioning strategy. Sales promotion techniques such as contests/sweepstakes and premium offers are communicated with a creative theme to foster processing and communication objectives. The Peek Freans example demonstrates this since the imagery of the promotion fit the duality of the brand and the trip to Sin City!

CONSUMER SALES PROMOTION STRATEGY

Strategic decisions for sales promotions fall into three broad categories: sales promotion strategy options, application across product lines, and application across geographic markets.

Sales Promotion Strategy Options

Our view of sales promotions is that the options identified in **Figure 14-1** are strategic choices for a marketer who selects the most appropriate one(s) that will achieve the behavioural objective for the target audience efficiently and effectively. Two characteristics of sales promotions guide the strategic direction of the sales promotion plan: the degree to which the sales promotion is “franchise building,” and whether the incentive of the sales promotion is immediate or delayed.

Franchise-Building Characteristic Sales promotion activities that communicate distinctive brand attributes and contribute to the development and reinforcement of brand identity are **consumer franchise-building (CFB) promotions**.⁹ For years, managers viewed franchise or image building as the exclusive realm of advertising, and sales promotion generated short-term sales increases. But now marketers see the image-building potential of sales promotion. Sales promotion efforts cannot make consumers loyal to a brand that is of little value or does not benefit them. But they can make consumers aware of a brand and, by communicating its specific features and benefits, contribute to the development of a favourable brand attitude. Consumer franchise-building promotions are designed to build long-term brand preference and help the company achieve the ultimate goal of full-price purchases that do not depend on a promotional offer. In contrast, **non-franchise-building (non-FB) promotions** are designed to accelerate the purchase decision process and generate an immediate purchase. These activities communicate minimal brand information about its unique features or benefits, so they do not contribute to equity and image building. Price discounts, bonus packs, and rebates or refunds are examples of non-FB sales promotion techniques. Non-FB promotions occur in a firm's promotional mix when market dynamics require switching consumers from competitor brands.

Incentive Characteristic Sales promotions provide consumers with an extra incentive or reward to influence their behaviour, such as repurchasing a brand or switching from a competitor brand. For certain sales promotions, the incentive that the consumer receives is immediate, while for others, the reward is delayed and not realized immediately. Using their situation analysis, marketers decide the relative balance between immediate and delayed incentives. The decision is based on the target audience(s) and the intended behavioural objective(s).

Pepsi created a unique incentive for one summer promotion. The brand desired a higher purchase frequency of single-serve products by young millennial consumers compared to Coke. Research indicated that 78% of the target used Snapchat on a daily basis, higher than Facebook or Instagram. Furthermore, 70% reported usage of more than six times per day. The “Snap It with Pepsi” promotion allowed consumers to use exclusive on-pack Snapchat lenses to really enjoy summer time. Consumers activated the 20 unique-to-Pepsi lenses by scanning the Snapcode on select bottles. The lenses also became part of the packaging and ad messages.¹⁰

The chart in **Figure 14-2** outlines how sales promotions accomplish communication and behavioural objectives for franchise building, and identifies whether the incentive is received by the consumer immediately with purchase or delayed. Techniques

are listed more than once because they accomplish more than one objective with both immediate and delayed incentives, and with trial and repeat purchase behaviour.

Figure 14-2 Consumer sales promotions for various objectives

Timing of Incentive	Communication and Behavioural Objectives		
	Trial purchase	Repeat purchase/ Customer loading	Support IMC program/ Build brand equity
Immediate	<ul style="list-style-type: none"> • Sampling • Instant coupon • In-store coupon • In-store rebate 	<ul style="list-style-type: none"> • Price discount • Bonus pack • In- and on-package free premium 	<ul style="list-style-type: none"> • Event • In- and on-package free premium
Delayed	<ul style="list-style-type: none"> • Coupon sent by media, mail, scanner, Internet • Mail-in refund and rebate • Free mail-in premium 	<ul style="list-style-type: none"> • In- and on-package coupon • Mail-in refund/rebate 	<ul style="list-style-type: none"> • Self-liquidating premium • Free mail-in premium • Contest, sweepstakes

One explanation for how sales promotion incentives work lies in the theory of **operant conditioning**. Individuals act on an aspect of the environment that reinforces behaviour. In a promotion context, if a consumer buys a product with a sales promotion and experiences a positive outcome, the likelihood that the consumer will use this product again increases. If the outcome is not favourable, the likelihood of buying the product again decreases. Two aspects of reinforcement relevant to sales promotion strategies are schedules of reinforcement and shaping.

Different **schedules of reinforcement** result in varying patterns of learning and behaviour. Learning occurs most rapidly under a *continuous reinforcement schedule*, in which every response is rewarded—but the behaviour is likely to cease when the reinforcement stops. This implies promotional offers like earning points in an online branded game should carry on indefinitely so that customers would not switch. Learning occurs more slowly but lasts longer when a *partial or intermittent reinforcement schedule* is used and only some of the individual's responses are rewarded. This implies that an IMC program should have a sales promotion with a partial reinforcement schedule. The firm does not want to offer the incentive every time (continuous reinforcement), because consumers might become dependent on it and stop buying the brand when the incentive is withdrawn.

Reinforcement schedules influence consumer behaviour through a process known as **shaping**, the reinforcement of successive acts that lead to a desired behaviour pattern or response.¹¹ In a promotional context, shaping procedures are part of new product launches. **Figure 14-3** provides an example of how samples and discount coupons for a new product take a consumer from trial to repeat purchase over four time periods. The implication is that if marketers drop the incentives too soon, the consumer desired behaviour is not established; if marketers overuse the incentives, the consumer's purchase is contingent on the incentive rather than the product.

Figure 14-3 Application of shaping behaviour with sales promotion

Behaviour Change	Sales Promotion
Product trial	Sample and large discount coupon given in-store
Purchase with low financial cost	Wide distribution of good discount coupon
Purchase with moderate cost	Modest discount on-pack coupon for next purchase
Purchase with full cost	No sales promotion

Application across Product Lines

Another part of the strategic sales promotion decision is the degree to which each sales promotion is applied to the range of sizes, varieties, models, or products. Overall, there are three important product decisions for sales promotions. (1) Should the sales promotion be run on the entire line, or on individual items? If the individual item option is chosen (i.e., selective application), the next decision point arises: (2) Which specific items should the sales promotion target? The marketer could run a promotion on either the more or the less popular items. Similarly, the marketer could focus on higher or lower price points. Sometimes, a sales promotion is offered on a unique product format or size instead of the regular product. For example, Kellogg's bundled three brands of cereal with plastic in one sales promotion in which each size was not the standard size typically distributed. This raises the remaining strategic issue: (3) Should the sales promotion be run on the "regular" stock or another special version?

Application across Geographic Markets

Sales promotions are run nationally or in select markets. Local or regional market conditions, with respect to consumer demand and competitive intensity, tend to dictate the degree of tailoring of sales promotions for each geographic market. Intuitively, it appears that marketers would be faced with situations where offering unique sales promotions for each geographic market would achieve optimal communication and behavioural effects; however, there are three factors that marketers need to consider. First, a regional focus requires additional managerial commitment in planning and implementation. Second, achieving objectives more specifically may result in greater expense, thus necessitating a cost-benefit analysis. Third and finally, national accounts may not be too receptive, with different types of sales promotions in one province versus another.

IMC Perspective 14-2 illustrates an innovative sampling sales promotion by many brands to influence consumer behaviour.

IMC PERSPECTIVE 14-2

IMC PROGRAMS TRY SAMPLING^c

Sampling continued to make gains by brands driven to attract new customers. Brands built brand equity communications and activities within their broad IMC strategies with place sampling.

Tic Tac's sales for its fruity flavoured treats stayed consistent recently, but the brand experienced a decline in consumption of its mint-flavoured sweet for a couple of years as people did not interact in public as much. The brand established the "Take a Ride on a Tic Tac" campaign in a couple of Toronto locales. People could hop on a branded pedicab for a ride and receive a sample of the mint version. Over the course of two weekends, consumers on the ride or walking by on the streets received 35,000 free samples to get back in the habit of enjoying this favourite.



Ferrero Canada Ltd.

Tim Hortons continued to make inroads with grocery stores to sell a variety of their goods. Tim's coffee is doing well for Keurig, ground coffee in a can, and instant. One recent expansion included espresso capsules for

the Nespresso coffee machines. Tim's packaging stayed in line with the premium Nespresso brand by using gold foil letting to stand out to attract consumer attention and help its retail partners grow sales. The launch included extensive in-store activation activities and a sampling program to ensure trial.

Dr. Oetker leads the frozen pizza category with nearly 50% unit market share. A new product line with better-for-you ingredients, The Good Baker, indicates the brand will remain strong. The product launch included in-store signage to attract attention and TV and social media ads to highlight the ingredients. And sampling got consumers to taste the new offering as Trattoria trucks delivered the product throughout Ontario and Quebec.

Tre Stella cheese invented "chicken burgers" and "chicken nuggets" with cheese instead of chicken as a non-plant meat substitute. Managers saw the target as being flexitarians, those who are vegetarians that eat meat occasionally. Communication featured Andre De Grasse as a product spokesperson, and point-of-sale information featured dairy farmer imagery. Sampling occurred through two avenues, delivered by Voilà from online shopping orders and in person at grocery stores.

McCain Foods celebrated National French Fry Day with an unusual sampling delivery point. Consumers making a purchase in a Montreal boutique were surprisingly asked "Want fries with that?" And, in fact, they were given a sample of McCain fries by a vendor dressed accordingly. The sampling coincided with many other promotional activities to remind consumers of the nostalgic consumption of their favourite side dish! Sampling also occurred via Instagram as consumers who tagged McCain with messages and pictures of them eating fries received a coupon to be redeemed for a free bag of Superfries.

QUESTION

1. What are the strengths of these promotions in terms of achieving behavioural and communication objectives?

CONSUMER SALES PROMOTION TACTICS

A coupon is received with a value anywhere from 50¢ to \$2.00 for different types of consumer products, early in the year or later in the year, frequently or not so frequently, or from any number of outlets (e.g., direct mail, magazine). As this implies, for each sales promotion option, the marketer makes tactical decisions: value of the incentive, timing, and distribution. Each of these are described in order to put together a comprehensive sales promotion plan.

Value of Incentive

Whether the marketer is offering a price discount or a consumer franchise-building sales promotion such as a premium, eventually the marketer has to decide the value of the sales promotion. For example, should the coupon be the equivalent of a 10% or a 20% discount? This decision is contingent upon the threshold at which consumers will respond to a sales promotion and the number of potential consumer responses; each will contribute to the total cost of the sales promotion. Similarly, if a beer company is offering a premium, a strategic decision has to be made as to the relative value of the premium: for example, a T-shirt worth \$10 to \$15, or perhaps a “cozy” worth a couple of dollars.

Timing

The time element of the sales promotion is important in a few directions that are mutually dependent. A marketer has to decide during which months, weeks, or days the sales promotion will be offered. Seasonal or some other consumption pattern discovered through market research or the situation analysis may guide this choice. In addition, sales promotions are offered for one day, one week, a few weeks, or even a few months. Target audience and behavioural objectives typically guide this duration decision. The frequency of the sales promotion is a final timing consideration. If coupons have been chosen, the marketer needs to decide whether one will be offered every six months or perhaps two every six months. One study that examined the value and timing decisions concluded that the optimal solution for price discounts is a reduction communicated by percentage instead of dollar amount, and infrequent price discount offers to minimize consumers’ choosing to wait for a deal.¹²

Distribution

EXHIBIT 14-5 Groupon provides a method for brands to offer discounts.



Source: Groupon, Inc.

For most sales promotions, there is a logistical consideration as to how the promotion will get to the consumer or how the consumer will get to the sales promotion. There are choices for some sales promotions, such as coupons (e.g., direct mail, in-ad), while for others, such as premiums, the choices may be limited. The distribution options for each sales promotion are summarized in the next section where each sales promotion and its strengths and limitations are described. Digital distribution of sales promotions emerged in the past decade, with Groupon providing an example of one way for brands to distribute promotions, as shown in **Exhibit 14-5**.

In conclusion, these three independent tactical decisions affect one another. Sales promotion research on gifts/premiums noted differing purchase intentions for seemingly identical offers. A high-valued gift delivered directly received stronger purchase intentions compared to a voucher for the same gift. So while the value is identical, the extra effort to redeem the gift restricted consumers’ interest in the brand.¹³

LO3 Consumer Sales Promotion Strategy Options

Promotional planners select from the list of consumer sales promotions identified in **Figure 14-1** to develop a strategic sales promotion plan. Each of the options assists in achieving the behavioural and communication objectives just discussed. These options are reviewed in this section by describing their characteristics, distribution methods, and strengths and limitations.

SAMPLING

Sampling involves procedures whereby consumers are given an amount of a product for no charge to induce trial. Sampling is usually an effective way to generate trial and therefore useful for new product introductions, although it is generally the most expensive. Sampling can generate trial for an established product; however, it may not induce satisfied users of a competing brand to switch and may simply reward the firm's current customers who would buy the product anyway. One interesting study concluded that giving free apps to users with the expectation of higher levels and greater speed of app adoption through purchase did not occur; the data indicated that a portion of the sample used the free app but delayed their purchase or did not buy at all.¹⁴ In contrast, research on samples for digital books found a positive impact on future sales, and this effect proved stronger for higher-value samples.¹⁵ Thus, in some ways, the importance of samples for intangible digital samples is mixed much like it is for physical goods.

Packaged goods use sampling since their products meet the three criteria for an effective sampling program. (1) The products are of relatively low unit value, so samples do not cost too much. (2) The products are divisible, which means they break into small sizes that are adequate for demonstrating the brand's features and benefits. (3) The purchase cycle is relatively short, so the consumer will consider an immediate purchase. **Exhibit 14-6** shows a public sampling display to encourage brand activation.

EXHIBIT 14-6 Cheetos offers samples to consumers to encourage trial.



©Rubens Alarcon/Alamy Stock Photo

Strengths of Sampling

In general, managers expect samples to yield strong prospective consumer participation and subsequent trial purchase behaviour. Researchers of in-store food sampling found that it effectively stimulated trial in general, provided an incentive for category users to switch brands, and even encouraged consideration among non-category users.¹⁶ No wonder sampling stations are set up in Costco! Getting people to try a product is a second benefit of sampling: consumers experience the brand directly, gaining a greater appreciation for its benefits. This is important when a product's features and benefits are difficult to describe through advertising; the subtle features of food, beverage, and cosmetic products are most appreciated when experienced directly.

Limitations of Sampling

While samples effectively induce trial, the brand's unique or superior benefits are required for a successful sampling program. Otherwise, the sampled consumers revert back to other brands and do not become repeat purchasers. The cost of a sampling program is recovered only if the program gets a number of consumers to become regular users of the brand at full retail price. Another possible limitation to sampling is that the benefits are difficult to gauge immediately, and the learning period required to appreciate the brand may require supplying the consumer with larger amounts of the brand than are affordable. An example would be an expensive skin cream that is promoted as preventing or reducing wrinkles but has to be used for an extended period before any effects are seen.

Sampling Distribution

One decision for the promotional manager is how to distribute the sample. **Figure 14-4** summarizes seven typical methods. The one chosen is based on costs and the intended target audience for which there is a trial purchase objective. Beyond these standard ones, marketers also find creative methods of distribution. For example, Montreal-based Rouge Maple provided 70 baskets, each containing \$300 worth of maple syrup products, to Oscar nominees at the Academy Awards. The cost did not end there, as it also paid a \$4,000 participation fee. At the American Music Awards, Halifax-based Miss Foxine Jewellery handed out 150 custom pieces and ultimately doubled its sales after the event due to the notoriety of artists and media personalities receiving the jewellery.¹⁷ Interestingly, print media publishers established a new direct marketing approach to deliver samples of popular consumer packaged goods. They worked with a sampling company or independently and sent a package of multiple samples to the homes of their subscribers.¹⁸ This example is kind of a hybrid method by coming two methods.

attempt to expedite redemption by shortening the time period before expiration. The uncertainty in knowing the redemption rate and timing makes for more difficult financial planning for coupons.

Third, coupons have low redemption rates and high costs. Couponing program expenses include the face value of the coupon redeemed plus costs for production, distribution, and handling of the coupons. **Figure 14-5** shows the calculations used to determine the costs of a coupon program using a freestanding insert (FSI) in the newspaper and a coupon with an average face value of one dollar. The marketer tracks costs closely to ensure that the promotion is economically feasible.

Figure 14-5 Calculating couponing costs

Cost per Coupon Redeemed: An Illustration		
1.	Distribution cost 5,000,000 circulation \times \$15/M	\$75,000
2.	Redemptions at 2%	100,000
3.	Redemption cost 100,000 redemptions \times \$1.00 face value	\$100,000
4.	Retailer handling cost and processor fees 100,000 redemptions \times \$0.10	\$10,000
5.	Total program cost (Items 1 + 3 + 4)	\$185,000
6.	Cost per coupon redeemed (cost divided by redemptions)	\$1.85
7.	Actual product sold on redemption (misredemption estimated at 10%) 100,000 \times 90%	90,000
8.	Cost per product moved (program cost divided by amount of product sold)	\$2.06

A final problem with coupon promotions is mistakes during redemption through the wrong product format or incorrect size, or redemption without product purchase. Instances of coupon fraud have occurred at times through store personnel (e.g., redemption by salesclerks in exchange for cash, manager collecting coupons without selling product, etc.).

Coupon Distribution

Figure 14-6 summarizes distribution methods and relevant US coupon redemption rates as Canadian data is unavailable. The average redemption rate for all distribution methods is 2.5%. About 320 billion coupons are distributed annually in the United States, which extrapolates to 35 billion in Canada—almost 1,000 coupons per Canadian per year. However, general observation suggests that coupon distribution is more intense in the United States, meaning the Canadian per person extrapolation is likely too high. Digital delivery of coupons through mobile devices occurred significantly in the past two decades. Research concluded that mobile coupons for a free good or a price discount both led to greater frequency of purchases and higher purchase amounts in dollars during the redemption period.²¹ These findings are consistent with research examining media- and store-based distribution.

One direct method not listed is an *inside/outside of package* coupon. A coupon that is redeemable for the next purchase of the same brand is known as a **bounce-back coupon**. Another type is the **instant coupon**, which is attached to the outside of the package so that the consumer can redeem it immediately at the time of purchase. Distributing coupons this way has virtually no distribution costs and a much higher redemption rate than the store rate listed. A third type is the **cross-ruff coupon**, which is redeemable on the purchase of a different product, usually one made by the same company but occasionally through a tie-in with another manufacturer. Also, some companies produce and distribute their own coupon books, as demonstrated by Procter & Gamble in **Exhibit 14-8**.

EXHIBIT 14-8 P&G produces and distributes its own coupon book.



©The McGraw-Hill Companies, Inc./Mark Dierker

Figure 14-6 Coupon distribution and redemption rates

Media (1%)	Print media and inserts. Ad-like message presentation.
Mail (4%)	Targeted via geographic and demographic data.
Store (10%)	Handout/on-shelf. Targeted to consumers while shopping.
Internet (8%)	Targeted to planned shoppers via websites and apps.

PREMIUMS

A **premium** is an offer of an item of merchandise or service either free or at a low price that is an extra incentive for purchasers. Premiums are usually in a product package, given out at a retail location, or sent to consumers who mail in a request. For example, in/on-package free premiums for cereal products include toys, trading cards, or other items, and Swiss Chalet offers a free chocolate with its holiday meal promotion each December. Marketers seek value-added premiums that reflect the quality of the product and are consistent with its image and positioning in the market and try to avoid gimmicks. A research study concluded that surprising consumers with an unknown gift for an emotion-based purchase produced stronger interest and more positive purchase intentions, but this approach faltered with a cognitive-based purchase.²² Another research study examined collectible premiums given to consumers who hit certain levels of purchases and numbers of store visits. The results indicated positive results for both sales and visits that benefited both the manufacturer and the retailers, with the results being stronger for those with a propensity to collect.²³

Strengths of Premiums

EXHIBIT 14-9 McDonald's Happy Meal uses toys to help attract children.



Alissala/Shutterstock

EXHIBIT 14-10 Consumers and retailers found value in the “Share a Coke” promotion.



©Torontonians/Alamy Stock Photo

Package-carried premiums are advantageous as they immediately provide an extra incentive to buy the product as a key distinguishing feature. For example, McDonald's is a leader in the restaurant market for giving free premiums with its Happy Meal for children (**Exhibit 14-9**). Interestingly, one disgruntled parent filed a class-action lawsuit against McDonald's, contending that the promotion illegally advertises to children in Quebec.²⁴ Thus another key feature is that premiums build or reinforce a brand image and work with cobranding. Premiums also have high impulse value that can lead to frequent purchases. Research concluded that premium usage is a function of deal-proneness, compulsive buying tendency, and variety-seeking tendency.²⁵

Another benefit of premiums is their ability to work with the rest of the IMC program effectively to build brand image. Budweiser's red light promotion associated the brand with hockey with the goals of increasing beer consumption and warding off craft beer competitors. The brand and its agency invented a physical red goal light synchronized to shine each time a fan's team scored when watching the game at home. Budweiser upped its game each year thereafter. The brand created the Red Zepelin, with thousands of red LED lights that shone when Team Canada scored during the Olympic Games. Budweiser sent staff carrying red lights as a tribute to a puck manufacturer in Saint-Jérôme, Quebec. The brand placed goal-synced Red Light Glasses in beer cases, and the brand took a large-scale red light to the Arctic that also lit up when Canadian teams scored goals. Later, Budweiser sold red lights that featured Wayne Gretzky's signature and his number, 99. An ad message—“Bring It Home”—coincided with the Winter Olympics and included famous Canadian female and male hockey players from past years.²⁶

Finally, premiums encourage trade support with in-store displays for the brand and the premium offer. Coca-Cola's “Share a Coke” campaign featured various sizes and formats of cans and bottles of its famous beverage adorned with individual names written in the stylized font of the popular brand (**Exhibit 14-10**). The in-store displays contributed to the success by drawing the attention of consumers while considering their beverage choice.

Limitations of Premiums

There are limitations associated with the use of premiums. First, there is the cost factor, which results from the premium itself as well as from extra packaging that may be needed. Finding desirable premiums at reasonable costs is a challenge, particularly for adult markets, and using a poor premium that costs less may do more harm than good. A solution to this is to offer **self-liquidating premiums** requiring the consumer to pay a portion or all of the cost of the premium. The marketer usually purchases items used as self-liquidating premiums in large quantities and offers them to consumers at lower-than-retail prices.

The goal is not to make a profit on the premium item but rather just to cover costs and offer a value to the consumer. A newer solution is an **embedded premium** where a brand donates money to a worthy social cause for every purchase made by consumers. Research concluded that this sales promotion is an efficient use of marketing dollars and contributes to strengthening the brand.²⁷ A second limitation is that offers usually require the consumer to send in more than one proof of purchase to receive the premium. This requires effort from the consumer and money for the mailing and does not offer an immediate reinforcement or reward. A third limitation is that the marketer faces the risk of poor acceptance and is left with a supply of items with brand identification (e.g., a logo) that makes them hard to dispose of. Thus, it is important to test consumers' reaction to a premium incentive and determine whether they perceive the offer as valuable. Another option is to use premiums with no brand identification, but that detracts from their consumer franchise-building value.

PROMOTIONAL PRODUCTS

Promotional products are useful and/or symbolic items that are implemented in marketing communication programs as a sales promotion or message vehicle, or a combination of both. Promotional products are essentially a premium, but not typically tied to a purchase as shown in the Happy Meal example. A promotional product is mostly given as a gift to company stakeholders (customers, suppliers, employees, guests) as a thank-you or reward. The items contain brand identification to enhance awareness, maintain brand equity, or strengthen goodwill. Popular items include pens, mugs, glassware, key rings, calendars, and clothing. The variety of promotional products makes it a virtual certainty that a manager can improve attitudes with an item that represents the brand appropriately. The promotional product industry in Canada is substantial (over \$2 billion) and the Canadian trade association is known as the Promotional Product Professionals of Canada. It celebrates the industry with annual awards (Exhibit 14-11)

EXHIBIT 14-11 Promotional Product Professionals awards the industry.



The Promotional Products Association of Canada (PPPC)

Strengths of Promotional Products

When promotional products are distributed directly to target customers, the medium offers a high degree of target audience selectivity and coverage. The communication is distributed to the desired recipient, reducing waste coverage. Most promotional products are designed for consumers to keep for a long time, providing repeat exposures to the advertising message at no additional cost. Promotional products can be expensive in terms of absolute cost (e.g., leather goods), but most are affordable to almost any size organization. While they are costly, the high number of repeat exposures drives the relative cost per exposure downward for respectable cost efficiency.

As the variety of promotional products demonstrates, they offer a high degree of message flexibility contributing to positive cognitive and emotional responses. A message as simple as a logo or as long as is necessary can be distributed through a number of means. Both small and large companies can employ this medium, limited only by their own creativity. With such opportunity, it is possible to use promotional products to achieve particular beliefs about the brand. Because people like gifts and functional products, consumers are grateful to receive them. Attention, processing, and involvement may vary, but all would be considered strengths of promotional products assuming the recipient appreciates the actual item. Certainly the selection of the item in question will heavily influence consumer reaction.

Limitations of Promotional Products

An advertiser hoping to expand its market through wider reach would likely find promotional products a weaker choice. While promotional products are distributed essentially anywhere, the cost implications would severely curtail significant geographic distribution for most advertisers. Finally, the lead time required to put together a promotional product message is longer than that for most other media due to supply and printing requirements.

Recipients of promotional products are in complete control of whether they choose to keep or display the item. It is entirely possible that a tremendous investment receives no or minimal exposure to the intended target audience. Most promotional products remind recipients of the brand name, but the company image is weakened or possibly damaged with chintzy, poorly designed, or unreceptive products. As seen with ad message creativity, an unusual or unique promotional product with value is likely to have greater success.

CONTESTS/SWEEPSTAKES

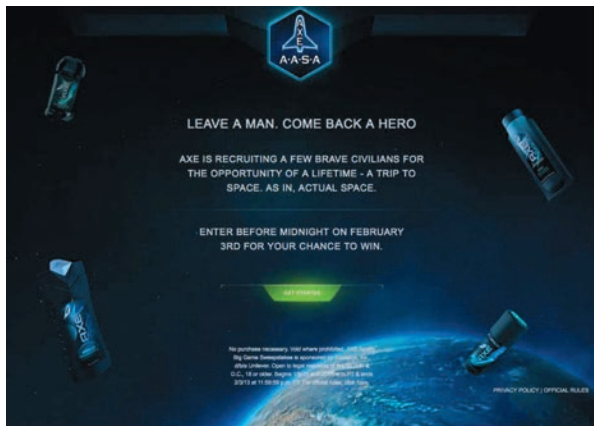
Contests and sweepstakes are sales promotions consumers love because of the fun and excitement generated that other promotions lack. For example, a scratch-off card with instant winners is a popular promotion as the anticipation of getting a prize stirs up emotions.

A **contest** is a promotion where consumers compete for prizes or money on the basis of skills or ability. The company determines winners by judging the entries or ascertaining which entry comes closest to predetermined criteria. Contests usually provide a purchase incentive by requiring a proof of purchase or an entry form that is available from a dealer or advertisement. Some contests require consumers to read an ad or package or visit a store display to gather information. Marketers make their contests easy to enter to encourage target audience participation.

A **sweepstakes** is a promotion where winners are determined purely by chance; it cannot require a proof of purchase as a condition for entry. Entrants need only submit their names for the prize drawing. One form of sweepstakes is a **game**, which also has a chance element or odds of winning. Some games occur over a longer period and require more involvement by consumers. Promotions where consumers collect game pieces are popular among retailers and fast-food chains as a way to build store traffic and repeat purchases. For example, McDonald's has used promotions based on the game Monopoly several times.

Strengths of Contests/Sweepstakes

EXHIBIT 14-12 The imagery and contest fits well with the new Axe Apollo.



Source: Axe by Unilever

Sales can be enhanced by trial and repeat purchases through a sweepstakes advertised via in-store ad-pads. For example, Kruger Products (whose brands include Scotties, Cashmere, Sponge Towels, White Swan, and Purex) offered 10 pairs of diamond earrings worth \$5,000 a pair in a contest for its Cashmere brand. According to the manager, the earrings fit with the luxury image of the product and proved financially viable.²⁸ Contests and sweepstakes can involve consumers with a brand by making the promotion product relevant or by connecting the prizes to the lifestyle, needs, or interests of the target audience. For example, Coors Banquet beer established a contest to select the best “One Horse Town” in which the winner received a concert featuring live country music. Tied in with the Country Music Television sponsorship and social media, the experience provided a perfect lifestyle match for the premium beer.²⁹ And some contests are out of this world! The global IMC campaign for the Axe Apollo product line included a contest, as shown in the ad of **Exhibit 14-12**. The prize featured a chance to win a one-hour flight on the Lynx suborbital plane providing a five-minute weightlessness experience before descending back to Earth.

Limitations of Contests/Sweepstakes

Sweepstakes and/or contest promotions rarely contribute to consumer franchise building for a product or service and may even detract from it. The sweepstakes or contest becomes the dominant focus rather than the brand, and little is accomplished other than giving away substantial amounts of money and/or prizes. Promotional experts question the effectiveness of contests and sweepstakes, and numerous legal considerations affect their design and administration.³⁰ Companies are careful in designing a contest or sweepstakes and awarding prizes. Most firms use consultants that specialize in the design and administration of contests and sweepstakes to avoid any legal issues, but they may still run into problems with promotions.

A final problem with contests and sweepstakes is participation by professionals or hobbyists who submit entries but have no intention of purchasing the product or service. Because it is illegal to require a purchase as a qualification for a sweepstakes entry, people can enter as many times as they wish. Professional players sometimes enter one sweepstakes several times, depending on the nature of the prizes and the number of entries the promotion attracts. There are even newsletters and websites that inform them of all the contests and sweepstakes being held, the entry dates, estimated probabilities of winning, how to enter, and solutions to any puzzles or other information that might be needed. The presence of these professional entrants not only defeats the purpose of the promotion but also may discourage entries from consumers who think their chances of winning are limited.

REFUNDS/REBATES

Refunds (also known as rebates) are offers by the manufacturer to return a portion of the product purchase price, usually after the consumer supplies proof of purchase. Consumers are generally very responsive to rebate offers, particularly as the size of the savings increases. Rebates are used by makers of all types of products like packaged goods, appliances, vehicles, and car care items (**Exhibit 14-13**). Consumers may perceive the savings offered through a cash refund as an immediate value that lowers the cost of the item, even though those savings are realized only if the consumer redeems the refund or rebate offer. Redemption rates for refund offers typically range from 1–3% for print and point-of-purchase offers to 5% for in/on-package offers.

Strengths of Refunds/Rebates

Marketers use refund offers for all types of behavioural objectives. They are used to induce trial of a new product which encourages users of another brand to switch, or non-category users to try the brand. Refund offers can also encourage repeat purchase since they may require consumers to send in multiple proofs of purchase. The size of the refund offer may even increase as the number of purchases gets larger. Secondly, rebates offer a temporary price reduction in the face of competition to spur consumers who are at the decision stage. The rebate may be perceived as an immediate savings even though consumers do not follow through on the offer. This perception can influence purchase even if the consumer fails to realize the savings, so the marketer can reduce price for much less than if it used a direct price discount that applied to all sales volume. Finally, rebates can influence the timing of a purchase, as seen in vehicle rebates offered toward the end of the model year.

Limitations of Refunds/Rebates

Limitations are associated with refunds and rebates since not all consumers are motivated by a refund offer because of the delay and the effort required to obtain the savings (e.g., completing forms and mailing receipts). A study of consumer perceptions found a negative relationship between the use of rebates and the perceived difficulties associated with the redemption process.³¹ The study also found that consumers believe that manufacturers offer rebates to sell inferior products. Non-users of rebates were particularly likely to perceive the redemption process as too complicated and to suspect manufacturers' motives. This implies that a simple redemption process and the use of other promotional elements such as advertising to retain consumer confidence in the brand is a good IMC strategy. Finally, consumers can become dependent on frequent rebates and delay their purchases or purchase only brands for which a rebate is available, and excessive use of rebate offers potentially confuses consumers about the real price and product value.

BONUS PACKS

Bonus packs offer the consumer an extra amount of a product at the regular price by providing larger containers or extra units (**Exhibit 14-14**). Bonus packs result in a lower cost per unit for the consumer and provide extra value as well as more product for the money.

Strengths of Bonus Packs

There are several advantages to bonus pack promotions. First, they give marketers a direct way to provide extra value without having to get involved with complicated coupons or refund offers. The additional value of a bonus pack is generally obvious to the consumer and can have a strong impact on the purchase decision at the time of purchase. Second, due to the simplicity of the presentation of a percentage of extra quantity, consumers generally prefer a bonus pack over an equivalent price discount.³² Third, bonus packs defend against a competitor's promotion or introduction of a new brand. By loading current

EXHIBIT 14-13 Pennzoil uses a refund offer that is tied to a future purchase.



Pennzoil by Shell International B.V.

EXHIBIT 14-14 Bonus packs provide more value for consumers.



Charmin by Procter & Gamble

users with large amounts of its product, a marketer removes these consumers from the market and make them less susceptible to a competitor's promotional efforts. Fourth, bonus packs may result in larger purchase orders and favourable display space in the store if relationships with retailers are good.

Limitations of Bonus Packs

A limitation is that bonus packs usually require additional shelf space without providing any extra profit margins for the retailer, so the marketer can encounter problems with bonus packs if trade relationships are not good. A second limitation is that bonus packs may appeal primarily to current users who probably would have purchased the brand anyway, or to promotion-sensitive consumers who may not become loyal to the brand.

PRICE DISCOUNT

Another consumer sales promotion is the direct **price discount**, which reduces the price of the brand. Price discounts are offered right on the package through specially marked price packs. Typically, price discounts take 10–25% off the regular price, with the reduction coming out of the manufacturer's profit margin, not the retailer's. Keeping the retailer's margin during a price-discount promotion maintains its support and cooperation. Due to the flexible implementation of price discounts, retailers and other marketers need to adhere to laws regarding the timing of price discounts since the Competition Bureau regularly investigates price discounts.

Retailers offer price discounts, and one study found that weak discounts of about 10% for non-essential items did not produce the intended results of greater consumer purchases. Instead, retailers should offer a more valuable discount (e.g., 20%) or use the lower discount on essential items with high-volume purchases.³³ In a study of premium branded vehicles, a direct price discount increased short-term sales and did not substantially reduce brand image, a common criticism of this type of promotion.³⁴ Another study reported higher sales volumes of 9% with price promotions occurring during major events compared to price promotions occurring with no major events.³⁵

Strengths of Price Discounts

Marketers use price-discount promotions for several reasons. First, since price discounts are controlled by the manufacturer, it can make sure the promotional discount reaches the consumer rather than being kept by the trade. Second, price discounts present a readily apparent value (e.g., much like a bonus pack) to shoppers, especially when they have a reference price point for the brand and thus recognize the value of the discount.³⁶ Third, communication of price discounts at the point of purchase attracts attention and the amount saved influences price comparison and evaluation when shopping. Finally, price-discount promotions encourage consumers to purchase larger quantities, pre-empting competitors' promotions and leading to greater trade support.

Limitations of Price Discounts

A limitation is that price-discount promotions may not be favourably received by retailers, since they can create pricing and inventory problems. Another limitation concerns retailer acceptance of packages with a specific price shown, thereby taking price decision-making control away from retailers. Price discounts appeal primarily to regular users instead of attracting non-users, so their switching effectiveness and return are questionable. Finally, federal government regulations regarding price-discount labels restrict their usage.

EVENT MARKETING

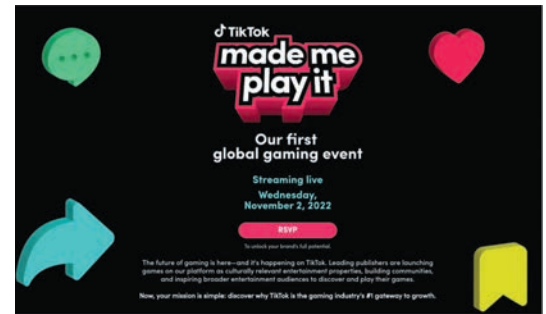
Event marketing is a promotion where a company or brand is linked to an event or where a themed activity is developed for the purpose of promoting a brand by creating experiences for consumers. For example, TikTok created a global gaming event to influence those in the gaming industry to see TikTok as an option for future growth (**Exhibit 14-15**). It is important to make a distinction between *event marketing* and *event sponsorship*, as the two terms are used interchangeably yet refer to different types of promotional activities.

Event marketing allows marketers to develop integrated marketing programs including promotions that create experiences for consumers to associate their brand with certain lifestyles. Marketers use events to distribute sales promotions (e.g. sample, promotional product, coupon), communicate product information, or demonstrate the product through consumer experience. Data from one study indicated that stronger brand attitude and brand equity resulted from experiences with marketing events.³⁷ Some events provide experiential elements associated with the brand with some experimenting with virtual reality.

Event sponsorship is an integrated marketing communications activity where a company develops sponsorship relations with an established event operated by another organization (e.g., concert, art exhibition, cultural activity, social change initiative, sports event). The company provides financial support in return for the right to display a brand name, logo, or advertising message and be identified as a supporter of the event. Part of the confusion between these two promotions arises because brands run event marketing activities as part of their sponsorship of an event. Examples of event marketing are summarized below, and event sponsorship is addressed in **Chapter 15** as it relates more closely to public relations activities.

Samsung used an event to demonstrate the capabilities of its virtual reality headset. People used the technology to overcome their life obstacles such as fear of heights or fear of public speaking. Part of this promotion included recording users' experiences for social media storytelling.³⁸ Other interesting examples include KFC running classes to show consumers how to cook fried chicken and Campbell's having professional chefs demonstrate how its Everyday Gourmet soup could make restaurant-quality meals.³⁹ Stella Artois established Sensorium in a pop-up dome to create a multi-sensory dining experience in Toronto. It later transitioned the concept internationally to La Savoir featuring the music group The Roots who created a dedicated music video for the event.⁴⁰ Finally, BMW partnered with jeweller Isabella Briatico and shoe fashion company Scarpe di Bianco to associate the performance car brand with luxury brands at an event to showcase the products of all three brands.⁴¹

EXHIBIT 14-15 TikTok established a marketing event to promote the brand to those in the gaming industry.



© 2022 TikTok

LO4 Trade Sales Promotion Strategy Options

Trade sales promotion strategy options that managers select from to develop a strategic sales promotion plan were identified in **Figure 14-1**. Each option assists the promotional planner in achieving the objectives with resellers, which are similar to those of consumer sales promotions since the promotion acts as a behavioural incentive. This section reviews objectives and strategic options for trade sales promotions that include trade allowances, point-of-purchase displays, cooperative advertising, contests and incentives, sales training programs, and trade shows.

OBJECTIVES OF TRADE SALES PROMOTION

Like consumer promotions, trade sales promotion programs entail well-defined objectives and measurable goals. Typical objectives for promotions targeted to marketing intermediaries (e.g., wholesalers, retailers) include obtaining distribution for new products, maintaining trade support for established brands, building retail inventories, and encouraging retailers to display established brands. Trade promotions are mostly viewed as non-franchise-building; promotional discounts and allowances given to the trade are passed on to consumers intermittently, and trade promotions forwarded through the channels reach consumers in the form of lower prices or special deals and lead them to buy on the basis of price rather than brand benefits. Like consumer sales promotions, a franchise-building characteristic can be built into the trade promotion program with activities that do not have a price focus.

Obtain Distribution for New Products

Trade promotions encourage retailers to give shelf space to new products. Essentially, this translates into a trial purchase objective as shown with consumer promotions. Manufacturers recognize that only a limited amount of shelf space is available in supermarkets, drugstores, and other major retail outlets. Thus, they provide retailers with financial incentives to stock new products. While trade discounts or other special price deals are used to encourage retailers and wholesalers to stock a new brand, marketers may use other types of promotions to get them to push the brand. Merchandising allowances can get retailers to display a new product in high-traffic areas of stores, while incentive programs or contests can encourage wholesale or retail store personnel to push a new brand.

Maintain Trade Support for Established Brands

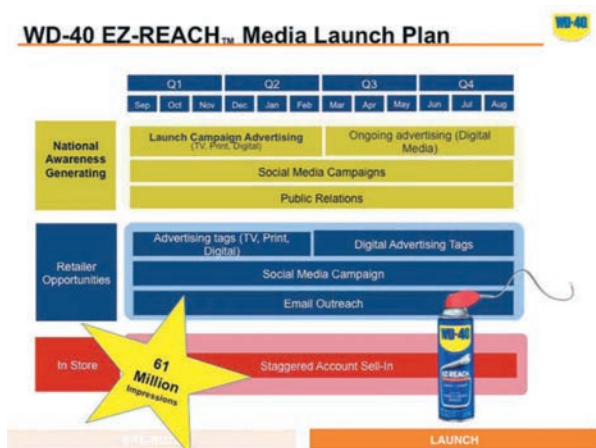
Trade promotions are designed to maintain distribution and trade support for established brands. Clearly, this objective is akin to a repeat purchase objective as shown with consumer sales promotion. Brands that are in the mature phase of their product life cycle are vulnerable to losing wholesale and/or retail distribution, particularly if they are not differentiated or face competition from new products. Trade deals induce wholesalers and retailers to continue to carry weaker products because the discounts increase their profit margins. Brands with a smaller market share rely heavily on trade promotions, since they lack the funds required to differentiate themselves from competitors through media advertising. Even if a brand has a strong market position, trade promotions may be used as part of an overall marketing strategy.

Build Retail Inventories

Manufacturers use trade promotions to build the inventory levels of channel members, especially retailers. This is a form of repeat purchasing as brands load retailers with their products. In turn, wholesalers and retailers are more likely to push a product when they have high inventory levels rather than storing it. Building channel members' inventories ensures they will not run out of stock and miss sales opportunities. Manufacturers of seasonal products offer promotional discounts so that retailers will stock up on their products before the peak selling season begins. This enables the manufacturer to smooth out seasonal fluctuations in its production schedule and pass the inventory carrying costs on to retailers or wholesalers. When retailers stock up on a product before the peak selling season, they run special promotions and offer discounts to consumers to reduce excess inventories.

Encourage Retailers to Display Established Brands

EXHIBIT 14-16 Example of WD-40's trade promotion and media support calendar.



WD-40 Company

Another objective of trade-oriented promotions is to encourage retailers to display and promote an established brand. This could be analogous to increased consumption as seen with consumer sales promotion objectives, since the retailer demonstrates increased commitment. Marketers recognize that purchase decisions are frequently made in the store and promotional displays are an excellent way of generating sales. An important goal is to obtain retail store displays of a product away from its regular shelf location. A typical supermarket has numerous display areas (e.g., end of aisle, checkout counter), and marketers want their products displayed in these areas to increase the probability of shopper exposure. Manufacturers use multifaceted promotional programs to encourage retailers to promote their products at the retail level. For example, a manufacturer will combine its advertising and consumer sales promotions and offer them at the same time as the trade promotion. For example, **Exhibit 14-16** shows a promotion calendar that WD-40 provides to retailers showing all facets of the IMC plan for the year.

TRADE ALLOWANCES

A **trade allowance** is a discount or deal offered to retailers or wholesalers to encourage them to stock, promote, or display the manufacturer's products. Types of allowances offered to retailers include buying allowances, promotional or display allowances, and slotting allowances.

Buying Allowances

A buying allowance is a deal or discount offered to resellers in the form of a price reduction on merchandise ordered during a fixed period. These discounts are in the form of an **off-invoice allowance**, which means a certain per-case amount or percentage is deducted from the invoice. A buying allowance also takes the form of *free goods*; the reseller gets extra cases with the purchase of specific amounts (for example, one free case with every 10 cases purchased).

Promotional/Display Allowances

Manufacturers give retailers allowances or discounts for performing promotional or merchandising activities in support of their brands. These merchandising allowances are given for providing special displays away from the product's regular shelf position, running in-store promotional programs, or including the product in an ad. The allowances are also directed toward increasing the number of shelf facings and their location. One innovative eye-tracking study found that more shelf facings resulted in greater attention focused on the brand and subsequent sales.⁴² The manufacturer generally has guidelines or a contract specifying the activity to be performed to qualify for the promotional allowance. The allowance is usually a fixed amount per case or a percentage deduction from the list price for merchandise ordered during the promotional period. One example is ConAgra's protein snack foods, which obtained significant signage and promotional support in Circle K convenience stores to go along with in-store sampling.⁴³ **Exhibit 14-17** shows point-of-sale displays for the plant-based energy drink Guru. This kind of promotion helped the brand expand across the country beyond Quebec.⁴⁴

EXHIBIT 14-17 A point-of-sale display for Guru energy drinks.



GURU Organic Energy Corp.

Slotting Allowances

Slotting allowances are fees retailers charge for providing a slot or position to accommodate the new product. Large established retailers expect a special allowance for agreeing to accept a new product. These payments are also called *stocking allowances*, *introductory allowances*, or *street money*. Slotting allowances range from a few hundred dollars per store to \$50,000 or more for an entire retail chain, so manufacturers trying to get their products on the shelves nationally face substantial costs. Retailers charge slotting fees because of their power and the limited availability of shelf space in supermarkets relative to the large numbers of products introduced each year. Retailers justify the fees due to the costs of redesigning store shelves, entering product information into computers, finding warehouse space, and briefing store employees.⁴⁵ Large manufacturers with popular brands are less likely to pay slotting fees than smaller companies that lack leverage in negotiating with retailers.

A study examined the views of manufacturers, wholesalers, and grocery retailers regarding the use of slotting fees. Their findings suggest that slotting fees shift the risk of new product introductions from retailers to manufacturers and help apportion the supply and demand of new products. They also found that slotting fees lead to higher retail prices, are applied in a discriminatory fashion, and place small marketers at a disadvantage.⁴⁶

Strengths of Trade Allowances

Buying allowances are used for several reasons. They are easy to implement and are well accepted—and sometimes expected—by the trade. They are also an effective way to encourage resellers to buy the manufacturer's product, since they will want to take advantage of the discounts being offered during the allowance period. Manufacturers offer trade discounts expecting wholesalers and retailers to pass the price reduction through to consumers, resulting in greater purchases.

Promotional allowances provide brands that sell in retail stores the opportunity to have specialized displays to feature their product. Promotional allowances also permit a brand to obtain a favourable end-of-aisle location or another prominent place where high traffic occurs, thus ensuring greater exposure. Brands would like to reproduce the imagery from their commercials or any other advertising vehicle where brand recognition at the point of sale is required. Extensive and elaborate displays would also reinforce the positioning strategy of the brand and contribute to its overall brand development. Thus, retailers prefer to merchandise a brand that has a consistent and well thought out strategy so that they will not be stuck with inventory unsold due to a lack of in-store communication.

Limitations of Trade Allowances

Marketers give retailers these trade allowances so that the savings will be passed through to consumers in the form of lower prices, but companies claim that only one-third of trade promotion discounts actually reach consumers because one-third are lost in inefficiencies and another one-third are pocketed by the trade. Moreover, marketers believe that the trade is taking advantage of their promotional deals and misusing promotional funds.

For example, retailers and wholesalers do **forward buying**, where they stock up on a product at the lower deal or off-invoice price and resell it to consumers after the marketer's promotional period ends. Another common practice is **diverting**, where a retailer or wholesaler takes advantage of the promotional deal and then sells the product purchased at the low price to a store outside its area or to an intermediary that resells it to other stores.

In addition to not passing discounts on to consumers, forward buying and diverting create other problems for manufacturers. They lead to huge swings in demand that cause production scheduling problems and leave manufacturers and retailers always building toward or drawing down from a promotional surge. Marketers also worry that the system leads to frequent price specials, so consumers learn to make purchases on the basis of what's on sale rather than developing any loyalty to their brands.

POINT-OF-PURCHASE DISPLAYS

EXHIBIT 14-18 This award-winning point-of-purchase display assists in merchandising SeaKlear pool and spa treatments.



Source: SeaKlear

Point-of-purchase (POP) displays are an important promotions because they help advertisers obtain more effective in-store merchandising of products. In one sense, a display acts as a “medium” since it is an important method of transmitting an advertising-like message when consumers are making a purchase decision. The word *medium* is in quotes because displays do not appear to be typical media; in fact, however, a display shares similar characteristics with place-based media (discussed in **Chapter 13**). A display is also viewed as a sales promotion since the messages include a sales promotion and most require the participation of retailers and necessitate a payment from the advertiser that is recorded as a trade promotion expense in the budget.

Figure 14-7 identifies different types of point-of-purchase displays used in different types of stores. **Exhibit 14-18** shows an award-winning POP display to promote the SeaKlear family of pool and spa treatments. The display holds 16 different pool and spa products and the unique octagonal shape allows for 360 degrees of display availability in a relatively small footprint. The display also has large graphic areas to educate consumers regarding specific uses and applications and help them make their purchase decisions.

The Point of Purchase Advertising Institute (POPAI) is an organization serving marketers and retailers worldwide with research information and examples of successful display innovations. Its main study classifies purchases into four groups, as shown in **Figure 14-8**, with the following breakdown: specifically planned, 24%; generally planned, 15%; substitutes (i.e., brand switch), 6%; and unplanned, 55%. The top two reasons provided by respondents on why an unplanned purchase occurred were that they remembered they needed or wanted an item once in the store, and that they took advantage of a sale. These results suggest the importance of displays as they prompt existing beliefs through recognition at the point of purchase.

Figure 14-7 Types of point-of-purchase displays

On-premise sign	Pre-assembled display	Display card	TV display
Window display	Display shipper	Shelf sign	LED board
Modular display rack	Wall display	Stand-up rack	End-of-aisle display

Figure 14-8 Classification of purchases for POPAI research

Specifically Planned	Purchases the shopper specifically identified by name in a pre-shopping interview and bought.
Generally Planned	Purchases that were referred to generically in a pre-shopping interview and bought on impulse.
Substitutes	Purchases that were specifically identified by name in a pre-shopping interview, but actual purchase reflected a substitute of brand or product.
Unplanned	Purchases that were not mentioned in the pre-shopping interview and bought on impulse.

Strengths of Point-of-Purchase Displays

It is easy to see why advertisers use point-of-purchase displays extensively. The main purpose is to reach the target audience while they are making the brand choice, so naturally a message or promotion attempting to influence a decider appears imperative. Indeed, deterministic benefits can be communicated just prior to purchase as these benefits may become salient only during the final choice decision. Innovations in point-of-purchase options—such as video screens at cash registers—attempt to bring the emotion of television commercials to the store environment so that consumers feel the same way just prior to purchasing the product. Since consumers are in the process of shopping, point-of-sale media have a tremendous opportunity for attracting the attention of the target audience. In general, consumers are seeking additional information or sensory experience as they consider the product selection. Coverage objectives also can be achieved by distributing point-of-purchase displays across the country through retail chains. For example, a brand could have displays in virtually all grocery stores at the same time with placement agreed among personnel at a few head offices. A key strength of point-of-sale display is that it is communicating to virtually all people who are considering purchasing in a particular category except those going direct through the Internet or catalogues. It may be difficult to suggest that point-of-purchase displays are universally involving. However, it appears reasonable to suggest that if the target audience has not avoided a certain part of the store and also paid attention to a display, then the potential is strong that the relevant messages will resonate such that a sufficient amount of consideration will be given. And finally, the absolute cost and CPM are generally reasonable compared to other media options.

Limitations of Point-of-Purchase Displays

Despite these strengths, point-of-purchase displays have limitations. One source of discontent for a consumer is that the shopping experience may be hindered by numerous promotional messages. Consumers have complete control over where they want to look in a store, how much time they prefer to stay in one area, and whether they want to look at any form of in-store communication. If an advertiser desires to be there, so does the competition. The clutter consumers feel while watching television or reading a magazine may be felt in the purchase environment. Processing of point-of-sale media requires a consumer's presence in the retail environment. So, except for circumstances where a consumer is entering an establishment repeatedly, the likelihood of an advertiser achieving sufficient frequency through this medium is quite limited. Finally, a marketer is reliant on the retailer, who may not install or set up the display correctly and also requires payment.

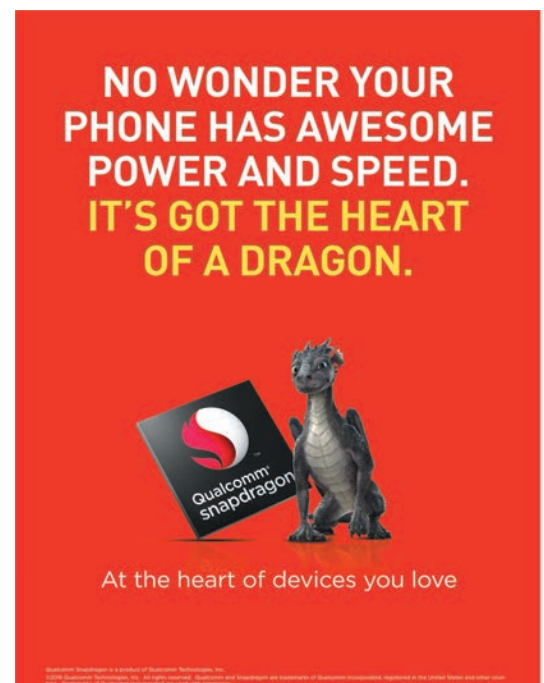
COOPERATIVE ADVERTISING

Cooperative advertising is an advertising program in which a manufacturer pays a certain percentage of the expenses a retailer or distributor incurs for advertising the manufacturer's product. Cooperative advertising is a paradox, like point-of-purchase displays. The expenditure is a trade promotion cost provided to the retailer, yet it has an advertising communication effect for consumers. Cooperative advertising is vertical, horizontal, or ingredient sponsored.

Vertical cooperative advertising occurs when a manufacturer pays for a portion of the advertising a retailer runs to promote the manufacturer's product. Large retail chains advertise a manufacturer's product in a flyer insert, or the digital equivalent, featuring many different products, and the individual manufacturers reimburse the retailer for their portion of the ad. Research supports the value of retail ads like these as advertised products are purchased in greater numbers and dollar amounts.⁴⁷ Manufacturers share the advertising cost on a percentage basis (usually 50/50). The amount of cooperative advertising the manufacturer pays for is usually based on a percentage of dollar purchases. If a retailer purchases \$100,000 of product from a manufacturer, it may receive 3%, or \$3,000, in cooperative advertising money. Large retail chains combine their co-op budgets across all of their stores to optimize the media purchase. However, these co-op arrangements periodically lead to conflict situations due to opportunistic behaviour.

Horizontal cooperative advertising is advertising sponsored in common by a group of retailers or other organizations providing products or services to the market. For example, automobile dealers who are located near one another could allocate some of their ad budgets to a coopera-

EXHIBIT 14-19 Qualcomm uses ingredient-sponsored advertising for its Snapdragon processor.



Source: Qualcomm

tive advertising fund. **Ingredient-sponsored cooperative advertising** is supported by raw materials manufacturers; its objective is to help establish end products that include the company's materials and/or ingredients. A technology company that uses ingredient-sponsored advertising is Qualcomm, which ran a brand-building campaign for its Snapdragon processor that powers smart phones and other mobile devices. The international campaign promoted the features and benefits of the Snapdragon processor and how it contributes to the performance of mobile devices (**Exhibit 14-19**).

CONTESTS AND INCENTIVES

Manufacturers develop contests or incentive programs to stimulate greater selling effort from reseller management. Contests or incentives are directed toward managers of wholesalers or distributors and retail store managers. Manufacturers sponsor contests with prizes such as trips or valuable merchandise as rewards for meeting sales quotas or other goals. Manufacturers devise contests or incentive programs that are targeted to the sales personnel of the wholesalers, distributors/dealers, or retailers. These trade promotions are tied to product sales, new account placements, promotional programs, or merchandising efforts (e.g., displays). These salespeople are important because they know the market and are frequently in touch with customers. In sales contests, salespeople win trips or valuable merchandise for meeting sales goals. The incentive programs involve cash payments made directly to the retailer's or wholesaler's sales staff to encourage them to promote and sell a manufacturer's product. These payments are known as **push money** or *spiffs*.

SALES TRAINING PROGRAMS

Products sold at the retail level may require knowledgeable salespeople who provide consumers with information about the features and benefits of various brands and models (e.g., cosmetics, appliances, computers). Manufacturers provide assistance to retail salespeople through training sessions so that retail personnel can increase their knowledge of a product line and understand how to sell the manufacturer's product. A manufacturer's salesforce also provides sales training assistance to retail employees. The reps provide ongoing sales training as they come into contact with retail sales staff on a regular basis and can update them on changes in the product line. Sales reps provide resellers with sales manuals, product brochures, reference manuals, videos, and product-use demonstrations. These selling aids are also presented to customers.

TRADE SHOWS

EXHIBIT 14-20 The International CES is a popular trade show.



Kobby Dagan/Shutterstock

Trade shows are forum where manufacturers display their products to current and prospective buyers and meet senior management personnel from large retail chains. According to the Center for Exhibition Industry Research, nearly 107 million people attend over 13,000 trade and consumer shows each year in the United States, Mexico, and Canada, and the number of exhibiting companies reached 1.9 million.⁴⁸ A number of promotional functions are performed at trade shows, such as demonstrating products, identifying new prospects, gathering customer and competitive information, and even writing orders for a product. Trade shows are particularly valuable for introducing new products, because resellers are looking for new merchandise to stock. Shows are a source of valuable leads to follow up on through sales calls or direct marketing. The social aspect of trade shows is also important. Companies use them to entertain key customers and to develop and maintain relationships with the trade. An academic study demonstrated that trade shows generate product awareness and interest and can have a measurable economic return.⁴⁹ The International Consumer Electronics Show (CES) is a forum for launching all sorts of technological products (**Exhibit 14-20**).

LO5 IMC Planning: Strategic Use of Sales Promotion

When properly planned and executed to work together, advertising and sales promotion provide a persuasive communication effect that is greater than the unique strengths of each promotional mix element operating independently. Successful integration of advertising and sales promotion requires decisions concerning the allocation of the budget to each area, the coordination of the ad and sales promotion creative themes, the brand equity implications of sales promotion, and the measurement of sales promotion effectiveness.

BUDGET ALLOCATION

What percentage of a firm's overall promotional budget should be allocated to advertising versus consumer and trade promotions? The answer may be found within the product life cycle due to different promotional objectives at each stage. Trial is the introductory stage objective requiring more sales promotion; brand positioning through differentiation is the growth stage objective requiring more advertising; and repeat purchasing is the maturity stage objective requiring reminder advertising for brand awareness and brand building sales promotions. Thereafter, periodic consumer sales promotions maintain consumer loyalty, attract new users, and protect against competition, and regular trade promotions maintain shelf space and accommodate retailers' demands for better margins. Some brands never move to the decline stage. In this situation, managers examine the competitive dynamics of new entrants or old foes who attempt to steal share, and allocate based on objectives designed to ward off threats. Longstanding brands remain strong by periodically encouraging new consumer cohorts to try the brand with an optimal allocation, and then retain them with an alternative ratio as new consumers remain loyal.

CREATIVE THEMES

To integrate the advertising and sales promotion programs successfully, the theme of consumer promotions is tied in with the advertising and positioning theme wherever possible. Thus, sales promotion programs communicate a brand's unique attributes or benefits to reinforce the sales message or campaign theme. In this way, the sales promotion program contributes to the consumer franchise-building effort for the brand. A fun example of this is the promotion Frosted Flakes executes often during the playoffs as an official partner of the NHL since 2003. In a recent one in 2019, Kellogg's featured the iconic Tony the Tiger in its Gr-r-eatest Playoff Beard contest. Entrants took a selfie with a beard filter and entered online for a chance to win a trip to the Stanley Cup Finals.⁵⁰ TV support showed Tony with his pals as they watched a game and announced the contest details humorously. The creative continuity of the personality symbol and the lighthearted message appeal of the promotion made this promotion consistent with past Frosted Flakes messages.

MEDIA SUPPORT

Media support for a sales promotion program is coordinated with the ad campaign media since it is used to deliver the promotional offer (e.g., coupon, contest entry, premium offer). It is also needed to inform and persuade consumers to create awareness and favourable attitudes toward the brand. Thus, advertising in conjunction with a sales promotion program achieves brand communication effects and increases consumer responsiveness to the promotion. Consumers are more likely to redeem a coupon or respond to a premium offer for a brand they know. Sales promotion without concurrent advertising potentially leads consumers to believe that it is of lesser quality, resulting in a less favourable attitude. Dove's Men+Care launch relied on multiple IMC tools requiring media coordination. **Exhibit 14-21** shows how the brand combined a print ad message with three coupon offers to build communication effects and generate trial. This example required coordination between the sales promotion program managers and media planners, possibly from two different agencies.

Coordination of sales promotion and digital media also occurs. Taco Bell's contest sent winners to a real-life Texas ranch to introduce its new "Bacon Ranch Naked Chicken Chalupa" product. Interested contestants entered by tagging three friends in the pinned posts on the brand's social media feeds. Communication included a 6-second pre-roll on YouTube, mid-roll ads on Facebook, and three 15-second videos on Facebook and Instagram. Managers believed this promotion fit the Generation X and young millennial target audience.⁵¹

EXHIBIT 14-21 Dove Men+Care coordinated IMC tools for its launch.



Dove by Unilever

BRAND EQUITY

The increasing use of sales promotion led to excessive frequency of the offers or overly valuable economic offers, with both leading to a loss of perceived value. Consumers became accustomed to purchasing a brand because of the promotion rather than basing their decision on a favourable attitude developed over time, and ultimately switched to another brand when the promotional incentive became unavailable. Thus, competitive situations with extensive sales promotion suggest that managers consider balancing long-term equity-building and short-term non-equity-building promotions during the year. The ease and likelihood of competitors developing a retaliatory promotion is also considered. Marketers ensure to not damage the brand franchise with sales promotions or to get the firm involved in a promotional battle that erodes the brand's profit margins and threatens its long-term existence.

One study examined whether price promotions affect pretrial evaluations of a brand.⁵² The study found that offering a price promotion is more likely to lower a brand's evaluation when the brand has not been promoted previously compared to when it has been frequently promoted; that price promotions are used as a source of information about a brand to a greater extent when the evaluator is not an expert but does have product or industry knowledge; and that promotions are more likely to result in negative evaluations when they are uncommon in the industry. The findings suggest that marketers must be careful in the use of price promotions as they may inhibit trial of a brand in certain situations.

MEASURING SALES PROMOTION EFFECTIVENESS

The promotional planning framework introduced for advertising in earlier chapters and summarized in **Chapter 5** is adapted in **Figure 14-9**. It is also based on past methods to evaluate sales promotion strategies on specific criteria.⁵³ The table can be applied by a manager considering a promotional program. For any of the sales promotion options listed, the manager decides which method of exposure is optimal, such as in-store, TV, Internet, or social media. In the Frosted Flakes example, Kellogg's executed the promotion online and communicated on TV. Managers choose the surrounding message strategy and tactics to ensure optimal processing of the brand message and the promotional offer. In the Men+Care example, the audience processes the warmth of the family image conveyed and evaluates the discounts offered in the coupon. Subsequently, the content of the Men+Care is expected to contribute to a positive attitude on the part of the decider to consider giving the product as a gift, thus reflecting a trial purchase.

Figure 14-9 Framework for planning sales promotion

Sales Promotion	Exposure	Processing	Communication Effects	Behaviour
Sampling				
Coupons				
Premiums				
Promotional products				
Contest/sweepstakes				
Refund/rebates				
Bonus pack				
Price discount				
Events				

The advertising research methods and measures discussed in **Chapter 9** are applied to sales promotions. For example, pre- or post-surveys are used to assess brand awareness or brand attitude (i.e., attribute or benefit beliefs) associated with the sales promotion. Furthermore, assessment of attention, cognitive, and emotional responses of the promotional offer can also be measured with an appropriate method. From a behavioural standpoint, measurement of switching and loyalty is assessed with scanner data. Other aspects of behaviour are measured by counting the number of inquiries or coupon redemptions. Sales promotions communicated and executed online and within social media—such as contest entries or participation with premiums—are readily tracked. Tracking of commentary in social media provides guidance of attitudinal effects of the promotional offer and potential resulting equity effects upon the brand.

Learning Objectives Summary

- LO1 Explain how sales promotion is a strategic decision in an integrated marketing communications program and examine why it is increasingly important.**

Sales promotion is an incentive offered as value to any person or organization within the overall marketing system, such as consumers and any trade members like wholesalers and retailers. Marketers allocate promotional dollars to sales promotion to influence purchasing behaviour, such as accelerating the frequency of buying. Reasons for this shift include the strategic importance of sales promotions, reaching a specific target audience, promotional sensitivity, declining brand loyalty, brand proliferation, short-term focus of managers and accountability of promotional managers, and power of retailers and the competition.

- LO2 Identify the objectives, strategy, and tactical components of a sales promotion plan.**

The objectives of sales promotion focus on brand behaviour such as trial, re-trial, and repeat purchases, or product category trial or re-trial. Sales promotions can be characterized as either consumer franchise-building (CFB) promotions or non-franchise-building (non-FB) promotions. The former contribute to the long-term development and reinforcement of brand identity and image; the latter accelerate the purchase process and generate immediate trial or repeat purchases. Sales promotions incentives can be immediate or delayed to achieve the above behavioural and communication objectives. Tactical considerations for sales promotion include the amount of the incentive, the timing of the promotion in terms of schedule and duration, and the distribution of the sales promotion.

- LO3 Describe consumer sales promotion strategy options and evaluate the factors to consider in using them.**

A number of consumer sales promotion techniques exist, including sampling, coupons, premiums, promotional products, contests/sweepstakes, refunds/rebates, bonus packs, price discounts, and event marketing. Promotional planners select any combination of these sales promotions for their IMC plans to achieve trial and repeat purchasing objectives and execute them with appropriate tactics to reinforce brand communication effects. Each of these promotions have both strengths and limitations, so the selection of the right combination reinforces the direction of the plan to influence both customers and non-customers.

- LO4 Describe trade sales promotion strategy options and evaluate the factors to consider in using them.**

The chapter identified trade promotions including trade allowances, point-of-purchase displays, cooperative advertising, contests and incentives, sales training programs, and trade shows. These have different terminology and are similar to consumer sales promotion, but are intended for resellers who are in a similar buying process with more businesslike objectives instead of personal objectives. Strategic and tactical decisions for each sales promotion are as critical here as they are with consumer promotions.

- LO5 Apply key IMC issues related to sales promotion decisions.**

Advertising and sales promotion are viewed as complementary IMC programs. When planned and executed properly, advertising and sales promotion produce a strong communication and behavioural effect that is greater than the response generated from either promotional mix element alone. To accomplish this, marketers coordinate budgets, creative themes, media support, and target audience reaction. Extensive sales promotion can result in diminished brand equity when marketers become too dependent on the use of sales promotion techniques and sacrifice long-term brand position and image for short-term sales increases. Industries have experienced situations where competitors use promotions extensively and it becomes difficult for any single firm to cut back on promotion without risking a loss in sales. Overuse of sales promotion can lower profit margins and threaten the image and even the viability of a brand.

Review Questions

1. What are the differences between consumer and trade sales promotion? Discuss the purpose of each in a marketer's IMC program.
2. Discuss how sales promotion is used as an acceleration tool to speed up the sales process and maximize sales volume.
3. Post-secondary educational institutions do not usually use sales promotions. Consider which ones could be used and identify the target audience in which they could be effective.
4. Explain why a brand might devote more of its budget to trade sales promotions than to consumer sales promotions.
5. Explain why it is important for sales promotion to contribute to brand equity. In what circumstances will brand equity enhancement not be a priority?

Applied Questions

1. Explain how the consumer sales promotions identified in **Figure 14-1** can be executed with Internet media.
2. What are the differences between consumer franchise-building and non-franchise-building promotions? Find an example of a promotional offer you believe contributes to the equity of a brand and explain why.
3. Phone service providers do not offer premiums all that often. Identify good ones for different brands.
4. Consider all the trade sales promotions that a sports equipment brand could use and explain how the promotions would be effective or ineffective for increasing sales.
5. Why would a brand use the same imagery from its online advertising at a marketing event?

CHAPTER FIFTEEN

Public Relations



Isaiah Trickey/FilmMagic/Getty Images

LEARNING OBJECTIVES

- LO1** Recognize the importance of public relations in the promotional mix.
- LO2** Explain how to compile a public relations plan.
- LO3** Examine how public relations is generated through news media publicity and argue its strengths and limitations.
- LO4** Illustrate how public relations is managed through corporate advertising.
- LO5** Apply the ideas of public relations within the development of an IMC plan.

TIFF and NHL Are Hot Sponsorship Properties^A

The forty-seventh edition of the Toronto International Film Festival (TIFF) occurred in 2022. By all accounts, the annual gathering of outstanding films and famous movie stars keeps it in the limelight for sponsors. Bell is the lead sponsor for TIFF, and major sponsors include RBC, Visa, and Italian fashion brand Bvlgari. In addition, TIFF identifies 35 corporate sponsors, such as Boss, L'Oreal Paris, and Canada Goose, and 12 media partners, such as the *LA Times*, the *Hollywood Reporter*, and *Fashion*. Interestingly, TikTok joined as a corporate sponsor in 2022. For one key part of its support, the social media brand created a contest where filmmakers adapted one of three specialized effects to produce a short film, including lighting, cinematography, and transitions. Winners received a trip to the festival with special access to events.

At the other end of the spectrum, Visa celebrated its twenty-sixth year as a TIFF sponsor and signed up for another five years. The credit card brand launched its new “Sharing the Screen” program that provided access to film screenings, creator talks, film premieres, and other programming. The brand communicated its sponsorship with a spoof of a scene from the movie *Pulp Fiction* that illustrated the point that even the best imitation is not as good as the real thing. The 30-second and 15-second trailers played throughout the festival. A Visa executive noted pride in the execution as the brand desired to have the most creative communication from any sponsor for each and every year! From a positioning standpoint, Visa’s sponsorship reached key financial industry clients and positively portrayed the brand such that additional spoofs may be forthcoming.

The National Hockey League (NHL) is another popular sponsorship property that attracts new Canadian sponsors who see value in being associated with the fastest

game on ice. At the 2022 NHL draft in Montreal, the hockey world learned that BioSteel replaced Gatorade by signing on as the Official Hydration Partner of the NHL. In fact, the brand formed a multiyear partnership with both the NHL and the NHL Players’ Association (NHLPA), a new and interesting direction for sponsorship. BioSteel has grown over the past few years and expanded to a ready-to-drink format to grow from its original powder mix version. The sponsorship coincided with increased distribution to 7-Eleven stores that included a new flavour and significant in-store displays and consumer sales promotions.

SkipTheDishes built sponsorships with the majority of Canada’s NHL teams and then extended the deal to the NHL itself after establishing its initial success. When communicating its sponsorship, Skip associates the situation of watching an NHL game on TV with ordering from Skip with a QR code and app focus during various executions of the pre-game rituals fans experience. In one version, a Calgary Flames fan and an Edmonton Oiler fan establish the concept of couch-gating, a fun spoof on the football tailgating tradition. Little Caesars is the Official Pizza Delivery of the NHL as part of its sponsorship arrangement. To communicate its sponsorship, the pizza brand developed a promotion where consumers sold the naming rights of their living room to Little Caesars in exchange for discounts for pizza every Wednesday night! Additional communication ensued in social media to carry on the naming rights gag. Yes, completely absurd, but a fun way to enjoy the game and get cheaper food while watching an NHL game.

Question

1. Why are these brands interested in sponsoring opportunities with TIFF and the NHL?

Public relations involves a company’s management of its reputation through publicity and corporate advertising programs. Public relations is an integral part of the overall promotional effort that is managed and coordinated within the promotional mix. Typically, companies design these activities to change attitudes toward an organization or an issue rather than promoting specific products or influencing purchase behaviour directly. However, aspects of these programs assist the marketing of products periodically for firms that adhere to this perspective of public relations.

This chapter presents an overview of public relations with a similar planning structure introduced in earlier chapters. First, the chapter explores the domain of public relations and the content of a public relations plan in two subsequent sections. It then reviews the related topic of publicity generated by news media. Next, the chapter describes corporate advertising through the topics of corporate image advertising, cause-related advertising, and sponsorship. The IMC planning section summarizes the strategic use of public relations.

LO1 Public Relations

What is public relations (PR)? How does public relations (PR) differ from other marketing communication programs? Perhaps a good starting point is to review the historic corporate definition of public relations, introduce a newer marketing perspective, and compare both to publicity.

PR: CORPORATE

Public relations is a corporate communication program designed to enhance a company's reputation and/or earn public understanding and acceptance of a particular issue. In this definition, public relations management determines and evaluates public attitudes, identifies an organization's policies and procedures with a public interest, and develops and executes a marketing communication program intended to influence the general public on the issue addressed. An effective public relations program continues over months or even years as it builds public trust between citizens and the organization.

This definition reveals that public relations involves marketing communication activities distinct from advertising and promotion designed to influence consumers to buy a product. The PR program may also involve promotional programs previously discussed but use them in a different way. For example, a press release announces a new product launch or an organizational change, a special event for local citizens creates goodwill in the community, and advertising states the firm's position on an issue. In addition, the *management* aspect means that public relations is not limited to business management but extends to other types of organizations, including government and non-profit institutions.

Corporate social responsibility (CSR) involves voluntary activities undertaken by a company to operate in an economically, socially, and environmentally sustainable manner. Communication to stakeholders about an organization's CSR activities is part of a PR program since the intention is to enhance an organization's reputation in the domain it seeks responsibility. CSR is an important commitment for numerous types of organizations. For example, Mountain Equipment Company (**Exhibit 15-1**) is a national Canadian brand with social and environmental accountability communicated on its Internet site regarding its products and production as well as its commitment to fair trade, ethical material sourcing, and the environment.¹

While the use of public relations has evolved significantly over the past two decades with digital media, practitioners believe the fundamental purpose remains consistent over time with the PR function aligning corporate communications with the organization's goals. However, digital media clutter and demand for timely messages puts pressure on PR professionals to deliver top-notch writing with visual storytelling. One avenue where this is especially important is the social media image and presence of the corporate leaders as their personal brand becomes the face of the corporate brand.

PR: MARKETING

Over time, companies established responsibilities for public relations beyond this corporate perspective. PR moved to a marketing-oriented perspective designed to promote the organization's products as well as the overall corporate brand. For example, big events like the National Bank Open presented by Rogers allows brands to present their public image and market their products (**Exhibit 15-2**).

The way companies and organizations use public relations is viewed as a continuum. On one end of the continuum is the use of PR from a corporate reputation perspective, where it is a non-marketing function whose primary responsibility is to maintain mutually beneficial relationships between the organization and its publics. In this case, customers or potential customers are only part of numerous publics—employees, investors, neighbours, special interest groups, and so on. Marketing and public relations are separate departments; if external agencies are being used, they are separate agencies. At the other end of the continuum, public relations is primarily a marketing communications function. Public relations reports to marketing and

EXHIBIT 15-1 MEC is a national brand that is very committed to CSR.



©Fred Lum/The Globe and Mail/CP Images

EXHIBIT 15-2 Rogers offered opportunity for public relations activities.



©Joao Luiz De Franco/ZUMA Press/Alamy Stock Photo

all non-customer relationships are perceived as necessary only in a marketing context.² Thus, in these organizations, the PR becomes much closer to a marketing function than a historic PR function.

Thus, marketing and PR departments work closely together by blending their talents to provide the best overall image of the firm and its product offerings. In fact, marketing and public relations are complementary functions: each makes unique contributions that are mutually supportive to building and maintaining the many relationships essential for achieving organizational goals. This position is consistent with our perspective that public relations is an important part of the IMC process, contributing in its own way but also in a way consistent with marketing goals.

PUBLICITY

Publicity is the generation of news about a person, good, service, idea, or organization that appears in broadcast or print media, and now on the Internet. In some instances, it seems that publicity and public relations occur at the same time and there is no substantial distinction.

For example, Tim Hortons received negative publicity in news stories because of dissatisfied franchisees, and the coffee brand responded with its own public relations activities. The dissenting store owners set up the Great White North Franchisee Association (GWNFA) to address issues with Restaurant Brands International (RBI), Tim Hortons' parent company, and its owner, Brazil-based 3G Capital. The primary issue concerned a misuse of the advertising money franchisees pay to the owner. In addition, GWNFA complained that RBI interfered with the establishment of the association. For both grievances, the GWNFA filed a lawsuit. Other issues focused on how 3G implemented cost-saving measures. The newly hired president tried to improve relations with franchisees by announcing a \$700 million investment to modernize half of its 3,900 Canadian stores. The president cited that the consumer and competitive situation warranted the change to create a more inviting and comfortable environment and to prepare the stores for future digital transformation. Promising results emerged from 10 test stores, and the president believed the new design would attract more customers who would stay longer and spend more. GWNFA responded immediately by criticizing the makeover plans as being too costly and not worth the investment due to high drive-through sales. Ipsos's annual "most influential brands" list placed Tim Hortons out of the top 10, where it had been for the past six years.

Later, the president conceded that the company would communicate better, expressed concern that the company's operational information became public with news stories, and announced improved customer experience plans for store redesign, an app, and a new ad campaign. However, GWNFA sent a strong letter to the president on behalf of one owner who stood to lose their franchise licence. Publicly, GWNFA conceded that both sides had made mistakes during the conflict and said it still believed in the Tim Hortons brand and wanted to find a resolution. RBI reiterated its view that the established franchisee advisory board was the only legitimate body to discuss franchisee issues, and the advisory board also refused to acknowledge GWNFA as a recognized association. Tim Hortons announced all-day breakfast and a new loyalty program to boost stagnant sales. In response, GWNFA stepped up its pressure by citing a second franchisee who had had their licence terminated, and RBI continued to work with the advisory board only. Eventually, an Ontario Superior Court struck down some of GWNFA's claims in the lawsuit. In November 2018, Tim Hortons announced a new ad campaign designed by Zulu Alpha Kilo to tell the stories of customers, much like the brand did 20 years ago.³

In other instances, it seems that publicity is the end result or effect of a public relations effort. Because marketers seek total control over the time and place where information is released, they provide the news media with slick information packages. Print media publications and broadcasters receive material from brands with the intention of getting an editorial story written or communicated. In these cases, the news media presents and endorses the message and likely appears as a credible source in the eyes of consumers who then interpret the message as publicity through news media for the originating organization.

Given these scenarios, there are two significant characteristics that distinguish public relations and publicity: time frame and control. Publicity typically lasts for a short period of time. The communication effect of an article in the newspaper or a story on TV about an organization may last a few weeks. Positive or negative publicity communicated by consumers in social media can recede a few days later. In both cases, the long-term communication effects can be minimal. Publicity arises after an unanticipated positive or negative story emerges from an unexpected source not under the control of or paid by the organization. Organizations try to influence publicity with public relations directed to news media, but they ultimately do not control whether the story will be communicated or not, or its content. Public relations is a concerted program, with several exposures extending over a period of time such as a year, with the intention of establishing lasting communication effects. It is controlled by the firm and designed to provide positive information.

In the age of digital communication and social media, organizations and their brands encounter both positive and negative publicity that arises within society. This publicity is not a result of a concerted public relations activity directed to news media, however such publicity may eventually become a news story. An example of this kind of publicity arises from customers' positive and negative experiences, and they decide to share their story with photos and videos in social media. At present, it is

unclear whether this kind of online publicity has somewhat similar or much different strengths and limitations as publicity through news media. Certainly, if one believes what an online friend is claiming, it could be seen as credible as news media, or perhaps even more credible.

In addition to a brand's efforts to generate publicity through news stories or brands receiving publicity from users commenting or positing in social media, brands sometimes receive publicity from successful IMC programs. **IMC Perspective 15-1** summarizes examples where a brand's advertising and promotion campaigns generated significant publicity and achieved high levels of earned media exposure.

IMC PERSPECTIVE 15-1

PUBLICITY OF AD CAMPAIGNS^B

Brands inadvertently establish positive publicity from creative campaigns that generate significant news media exposure. When assessing the success of these campaigns and its publicity, brands generally calculate the "owned" media exposure in terms of "paid" media exposure equivalent, or in terms of total media impressions. For example, Canadian singer Michael Bublé Zoom-bombed calls that Bubly recast as online video in social media to launch new flavours. The ensuing publicity in legitimate news stories reached 79 million media impressions, which resulted in stronger sales than past flavour launches.

Bud Light Canada created a feature-length documentary entitled *Underplayed* that told the story of the top female DJs in the world to highlight the disparity of success compared to male DJs. For example, the top 100 DJs included only 5 females versus 95 males. Top film festivals picked up the documentary, including TIFF. After which, major streaming services released the film on International Women's Day. Bud Light Canada estimated the global publicity of *Underplayed* as 300 million earned media impressions from feature stories in publications like *Rolling Stone*, *Variety*, and the *Washington Post*.



Angel House Studio/Shutterstock

Kraft Dinner's advertising targeting families with a healthier product resulted in a 15% sales decline with a corresponding erosion in consumer attitude. Enter the "You Do You" message, celebrating how young consumers modified their KD by adding other food products (e.g., veggies, protein). The irreverent images visually communicated the wild and weird ways loyal customers modified and cooked their KD. A key topper included images of Stephen Page from *Barenaked Ladies* extolling KD as la their famous song "If I Had \$1,000,000." The campaign reversed sales and consumer attitudes. The brand estimated US\$590 million of earned media from 40 hours of TV coverage while appearing on the *Colbert Report* and *Late Night with Jimmy Kimmel*, to name just two.

Heinz Ketchup faced new competitors and appeared in danger of becoming a forgettable brand as its attitude scores declined. Its ad agency tried an "experiment" of sorts by asking participants in five continents to "draw ketchup" without any reference to the Heinz brand name. A majority of people in fact drew a Heinz Ketchup bottle or its iconic label with precise details. A summary video of the artwork ran on social media with a request for Canadians to contribute their version to access all the entries from the experiment and be eligible for a contest. Billboards and a Super Bowl ad provided greater exposure. The Canadian success spurred an expansion of the campaign to seven European countries and Brazil. Overall, Heinz estimated the publicity generated \$6 million in earned media exposure, all from a production budget of only \$45,000!

QUESTION

1. What is the appeal to consumers of each example to spur the media exposure through publicity?

LO2 Public Relations Plan

Public relations is an ongoing process requiring formalized policies, procedures, and plans for solving problems and taking advantage of opportunities. A PR plan is structured similarly to the other IMC plans. It starts with a situation analysis and includes decisions with respect to target audiences, behavioural objectives, communication objectives, strategy, and tactics. In addition, the PR plan is integrated into the overall marketing communication program.

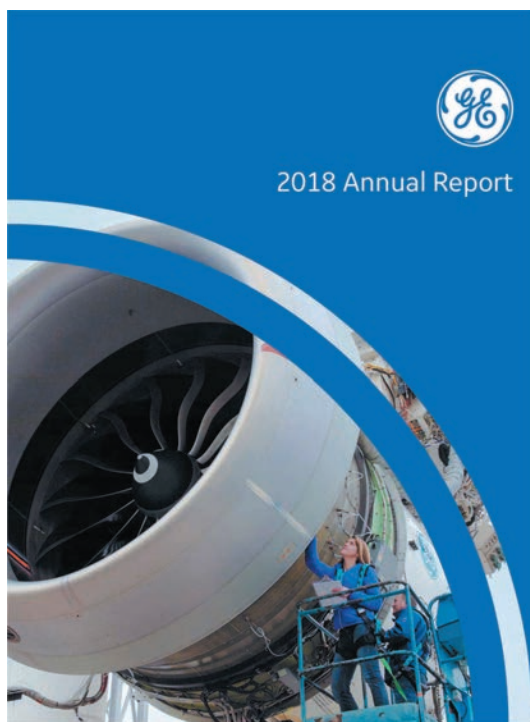
SITUATION ANALYSIS

Content of the situation analysis from the marketing plan or IMC plan are also in the public relations plan. An additional key piece of information is a current assessment of people's attitudes toward the firm, its product, or issues beyond the firm or the product. Firms are concerned with the public's attitudes since people's beliefs may affect product sales or their local reputation. Organizations planning for PR typically survey public attitudes for a few reasons. First, initial public attitudes become the starting point in the development of programs designed to maintain favourable positions or change unfavourable ones. Second, these initial attitudes might signal a significant potential problem, which allows the firm to handle it proactively. Third, it will be much easier for the PR team to gain the support it needs to address this problem. Fourth and finally, optimal communication can occur if the firm understands a problem completely.

TARGET AUDIENCES

The target audiences for public relations efforts vary and each have unique behavioural and communication objectives. These audiences are internal or external to the firm. **Internal audiences** are connected to the organization and include the employees of the firm, shareholders and investors, local community members, and suppliers and customers. **External audiences** are those people who are not closely connected with the organization (e.g., the public at large), and may include news media, educators, civic and business organizations, and governments. Organizations communicate with both groups on an ongoing basis for a variety of reasons and those not in the target audience may receive the message as well.

EXHIBIT 15-3 Annual reports serve a variety of communication purposes.



Source: General Electric Company

Employees of the Firm

Maintaining morale and showcasing the results of employees' efforts are prime objectives of a public relations program. Organizational newsletters, notices on intranet resources, mail/email, and annual reports are methods used to communicate with these groups. Personal methods of communicating may be as formal as an established grievance committee or as informal as an office party. Other social events such as corporate sports teams, picnics, or cause-related or community activities also create goodwill. Home Depot's employees readily supported the company's commitment to helping with youth homelessness with repair projects and development programs. In total, employees devoted 60,000 volunteer hours to 285 projects in one year.⁴

Shareholders and Investors

An annual report like the one in **Exhibit 15-3** provides shareholders and investors with financial information regarding the firm. While this is one purpose, annual reports are also a communications channel for informing this audience about why the firm is or is not doing well, future plans, and other information that goes beyond numbers. In addition to current shareholders, potential investors, financial advisers, and lending institutions may be relevant target audiences for annual reports and other related corporate information to keep them abreast of new developments since they offer the potential for new sources of funding. By creating a favourable image and goodwill in the financial community, the firm makes itself attractive to potential share purchasers and investors, leading to investments for working capital and research and development. Other means of communication include meetings, video presentations, direct mail, and digital media.

Community Members

People who live and work in the community where a firm is located or doing business are the target of public relations efforts. Such efforts may involve ads informing the community of activities that the organization supports. Demonstrating to people that the organization is a good citizen with their welfare in mind may also be a reason for communicating to these groups. This general idea of targeting community members has recently manifested in new directions. Rogers Sports & Media established its All IN program to support community groups by offering free advertising and creative services to allow organizations to communicate nationally. The media brand received over 500 applications and awarded the support to Big Brothers Big Sisters, Blacbiblio.com, Canadian Women & Sport, Friends of Ruby, and Spirit North.⁵ The commitment shown to these organizations by Rogers Sports & Media is likely well received by communities throughout the country. BMO extended its support for soccer beyond its sponsorship of three Canadian MLS clubs with a soccer equipment drive in Montreal (**Exhibit 15-4**). The initiative gathered 10,000 pieces, and local youth selected the cleaned equipment from an online marketplace site.⁶

EXHIBIT 15-4 BMO's community-oriented efforts help youth soccer players.



BMO Financial Group

Suppliers and Customers

An organization wishes to maintain *goodwill* with its suppliers as well as its consuming public. Consumers likely demonstrate loyalty with a company that is socially conscious. For example, “Extraordinary, Authentic Nourishment for All” expressed Campbell Canada’s aim to help people alleviate hunger, prepare better meals, and eat nutritious food. The company worked with food banks and donated 1 million pounds of food each year and agreed to provide additional funds, supplies, and personnel support in the future. A new, ambitious undertaking resulted in Campbell’s product, Nourish, a complete meal in an easy-open can requiring no heating or water for preparation, and suitable for food banks and disaster relief situations. The product features a protein-rich grain developed by federal government scientists and is the result of committed Campbell’s employees who wanted the company to do more for hunger. Campbell’s placed ads in multiple media and used public relations to encourage Canadians to participate in the cause by sharing on Facebook, tweeting on Twitter, or watching “The Story of Nourish From Campbell Canada” on YouTube, with each step leading to a donation of one can of Nourish. After five weeks, the campaign achieved a total of 85,000 additional cans donated. Campbell’s placed additional funds into the food system with each can sold to consumers, who were also encouraged to buy and donate to food banks.⁷

News Media

A critical external audience is the news media, which determine what is read in a newspaper or seen on TV. News media should be informed of a firm’s actions because of their power and influence over readers and viewers. Companies issue press releases and communicate to news media through press conferences, interviews, and exclusives. The news media are generally receptive to such information so long as it is handled professionally; reporters are always interested in good stories. Tesla relied on communicating only with news media for consumers to receive news stories about the electric car company as it grew from a startup to selling 25,000 cars globally. One approach included a tour across the United States to feature its network of charging stations, thinking news media would feature the story. Executives expected that regular advertising would be warranted in future as sales grew.⁸

Educators

A number of organizations provide educators with information regarding their activities. For example, the Internet site for the Canadian Marketing Association has a very useful public affairs section for marketing and advertising professors, in addition to valuable information for the general public. As noted in the media chapters, Internet sites of media organizations provide resources. Companies like McGraw Hill (which publishes this text) offer seminars and webcasts to professors regarding interesting trends in education. Activities such as these foster goodwill as well as provide exposure for their mission.

Civic and Business Organizations

Local non-profit civic organizations serve as gatekeepers of information. Companies’ financial contributions to these groups, speeches at organization functions, and sponsorship are all designed to create goodwill. Corporate executives’ service on the boards of non-profit organizations also generates positive public relations. Home Depot’s Orange Door Project enlisted

the assistance of numerous community groups with expertise on the needs of homeless youth. Home Depot is significantly involved with Volunteer Canada.

Governments

Public relations activities attempt to influence government bodies directly at local, provincial, and national levels. Successful lobbying may mean success for a product, such as seen recently for cannabis. Alternatively, regulations detrimental to a firm may require additional financial costs or result in weaker sales. The federal government interacts with food organizations as part of Health Canada's Healthy Eating Strategy. These meetings are initiated by stakeholders who may be affected by proposed government initiatives. For example, organizations met to discuss concerns with the new food guide.⁹

BEHAVIOURAL OBJECTIVES

The framework for behavioural objectives discussed in **Chapter 5** is applicable for public relations. Recall that behavioural objectives are trial purchase, repeat purchase, shopping, or consumption. No matter what target audiences are selected in the prior step, an astute marketer will know that it is important to understand the type of behaviour desired as a result of the communication. The idea of a purchase seems incongruous for public relations situations, so the marketer views the target audience's behaviour in other ways to define the objective.

Various PR activities ask citizens to participate by donating money, so a first donation is a "trial purchase" and subsequent donations in following years represent a "repeat purchase." Other PR activities request citizen involvement through volunteering or a related behaviour. While this does not appear to be shopping or consumption, it is akin to these objectives as they are behaviourally oriented but do not involve a financial commitment via donation. The Bell Let's Talk campaign encourages multiple behaviours, including the use of one's phone to make the donation happen. The vast number of possible PR activities suggest managers apply the general framework of behavioural objectives put forth in **Chapter 5**. Examples shown in this chapter represent insightful suggestions for interpretation.

COMMUNICATION OBJECTIVES

The communication objectives of **Chapter 5** are similarly applied to public relations. Communication objectives include category need, brand awareness, brand attitude, and purchase intention. Each of these are the focus of the public relations plan with slight modifications. For example, the "brand" is usually the corporation itself or a new product that is talked about in a press release. In addition, the notion of a "category" is adjusted. Some target audiences want to be affiliated with "good corporate citizens" that are responsible to the community, the environment, or another issue. Often, the "category" is related to the particular topic or the public relations message content.

EXHIBIT 15-5 Planet Fitness is committed to a social cause of no judgment.



©Bernard Weil/Toronto Star via Getty Images

Organizations support social causes because the exposure ensures additional awareness for future recall and recognition, and the causes portray the organization favourably and support the beliefs of the owner and employees. For example, Planet Fitness's Judgement Free Generation program tries to alleviate bullying and judgment faced by youth (**Exhibit 15-5**). One recent initiative raised money for Boys and Girls Clubs with custom Snapchat geo-filters that operated when in one of the 26 Canadian locations. The filter communicated the gym's positive judgment-free message and prompted the call to action for a donation.¹⁰

The public relations plan requires a section outlining the attitude change or modification desired, the key motives addressed, and the attributes or benefits the message communicates about the firm or the brand. Automobile firms are good examples of where positive publicity via news media is desired and encouraged. New product launches include media releases and feature interviews for articles appearing in the car section, a

weekly feature in national and most large daily newspapers. Further positive press occurs with trade shows that occur in major cities, which typically get coverage resulting in framing initial consumer attitudes about a vehicle model.

STRATEGY

As with advertising, the strategy decisions for public relations are twofold: message and media. The primary message decisions concern the degree to which the message has a marketing or corporation focus, and the creative associated with the message. As with advertising, there are options to disseminate the message—news media, advertising media, and events—that are described in the next major section.

Message Content

Public relations activities support the organization's reputation by increasing awareness among consumers about the organization, informing and educating the public about the organization's activities, gaining understanding and building trust with stakeholders about major changes the organization is experiencing, and encouraging citizens to be involved with initiatives the organization deems valuable. These points are consistent with the behavioural and communication objective described previously, and an organization decides the most effective message content to communicate in its public relations to achieve these goals.

Public relations activities also fulfill the objectives of the IMC plan that are oriented at the product level by building market-place excitement before advertising media breaks, creating news about a new advertising or promotional campaign, introducing a product with little or no advertising, providing information to influential opinion leaders, defending products at risk with a message of reassurance, and constructively promoting a product to achieve consumer acceptance. Message content development along the lines discussed in an advertising context occur in PR to ensure its intended audience is processing the message and thus that the message is having its expected communication effects.

The historical purpose of public relations is that the message content communicates a favourable image of the corporation as a whole. The domain of this image or reputation management concerns every facet of how the organization interacts with its social, economic, political, and charitable constituents, in addition to the general public locally, nationally, and internationally. Message content with a product-level influence requires a unique and more specific message content along the lines of advertising. Given the two broad directions for message content, corporate versus advertising, an organization decides the relative amount of these two types of message content to include in its annual IMC plan. Too much of a focus in either direction restricts the organization and limits the opportunity to optimize its effects. As concluded earlier, a balance between using public relations for marketing purposes and corporate purposes appears to be a viable approach.

Message Creativity

In deciding what message to communicate, the marketer is faced with the decision as to whether the creative strategy of advertising or other IMC programs is adopted for public relations. On the one hand, there is the argument that all communications should have a common look and feel to them. To counter this, one could argue that unique target audiences with a specific message should have an appropriate associated creative.

Interestingly, a brand like IKEA created message content and creativity that appeared to contribute to its corporate reputation and enhance its product-level advertising. A zany idea originated from its consumer surveys—shopping at IKEA was seen as a bit stressful for couples, so it hosted relationship seminars on Valentine's Day. IKEA's Relax event noted that Canadians found relaxing to be naughtier than sex. This prompted IKEA to issue instructions for making a restful home along with an "IKEA Adrenaline Index" on its website featuring humorous questions to assess people's stress levels. Store openings and catalogue launches both featured ambitious events to ensure the news media covered the story. IKEA sees the value of these activities and invests heavily, with a 50% budget increase and each event receiving a \$500,000 allotment.¹¹

Message Delivery

This chapter identified two mechanisms for the message delivery while defining public relations and publicity and explaining the content of a public relations plan. News media outlets are available, who can choose to publish or not to publish the materials that organizations submit for consideration. Alternatively, organizations turn to other options where they control the dissemination of the message through different types of corporate advertising opportunities in which the organization is responsible for the costs, much like regular product advertising covered thus far.

TACTICS

The choice of news media or corporate advertising dictates the types of tactics employed. When using news media, a marketer would need to know how to make a media presentation, whom to contact, how to issue a press release, and what to know about each medium addressed, including TV, radio, newspapers, magazines, and direct-response advertising. In addition, decisions

regarding alternative media also need to be made, such as news conferences, seminars, events, and personal letters, along with insights on how to deal with government and other legislative bodies.

For corporate advertising, numerous considerations addressed in the advertising message chapters (**Chapters 7 and 8**) and the media chapters (**Chapters 10 to 13**) are very applicable. For example, an effort by McDonald's publicly emphasized its commitment to Ronald McDonald House Charities (RMHC) Canada to increase people's knowledge of the charity's mission and inspire greater donations. The creative showed how Ronald McDonald Houses provided a place for families to stay while their children received treatment. The storyline showed the point of view of each parent and the child with emotional scenes that evoked heightened empathy. Media included TV, cinema, print, radio, out-of-home and in-store. The combination of paid and donated media yielded 13 million impressions. Both measures improved with a 59% lift in understanding and a 72% lift in donations.¹²

EFFECTIVENESS

Evaluating the effectiveness of public relations to determine if objectives are attained is necessary, much like advertising effectiveness is evaluated, as described in **Chapter 9**. However, a planner can evaluate a plan prior to implementation. **Figure 15-1** lists questions a planner reviews to determine whether their PR plan is complete. These questions are similar to the IMC planning guidelines of **Chapter 1**.

Figure 15-1 Ten questions for evaluating public relations plans

1. Does the plan reflect the company's business situation?
2. Does the PR program make use of research and background sources?
3. Does the PR program make relevant conclusions from the research?
4. Does the plan include full analysis of recent editorial coverage?
5. Do the PR people understand the brand's strengths and weaknesses?
6. Are the program objectives specific and measurable?
7. Does the program describe the PR activity and its benefits?
8. Does the program describe how its results will be measured?
9. Do the research, objectives, activities, and evaluations tie together?
10. Do PR and marketing communicate during development?

Measuring the effectiveness of PR usually begins with an assessment of exposure attained. A media content analysis systematically and objectively identifies the messages appearing in news media and analyzes the content to determine trends and perceptions relevant to the organization or its product. **Figure 15-2** summarizes exposure measures to calculate how many people in the target audience received a PR message through news media and to assess the positive and negative results of the PR programs intended to influence the media.

Figure 15-2 Media exposure for measuring the effectiveness of PR

1. Total number of impressions over time
2. Total number of impressions on the target audience
3. Total number of impressions on specific target audiences
4. Percentage of positive news stories over time
5. Percentage of negative news stories over time
6. Ratio of positive to negative news stories
7. Percentage of positive/negative news stories by subject
8. Percentage of positive/negative news stories by publication or reporter
9. Percentage of positive/negative news stories by target audience

Survey research that quantitatively measures consumers' awareness and attitudes toward the organization or its brands assesses the communication effects attained by PR programs. The measures identified in **Chapter 9** are modified for the PR context. For example, a PR program communicating an organization's commitment to sustainability would include these kinds of attitudinal measures. If desired, an organization could measure the processing of the PR message content and creative prior to its launch, which is also reviewed in **Chapter 9**. In short, a comprehensive approach, as shown with advertising, can be adapted to PR where measures of exposure, processing, and communication effects is possible, as described in **Chapter 4**.

LO3 News Media Publicity

This section discusses how organizations achieve public relations communication objectives through publicity generated through news media. *News media publicity* is publicity that the firm attempts to control by influencing the news media to report an organization's story to the public. Note that publicity occurs in social media by individuals or non-news media organizations, and companies may try to influence communication in social media, but the discussion in this section concerns publicity through legitimate news media with journalistic standards. Methods to reach news media and consider the strengths and limitations of this option are presented. When considering the significance of this assessment, keep in mind that consumers receive the message through all media, which produces varying effects.

MEDIA OPTIONS

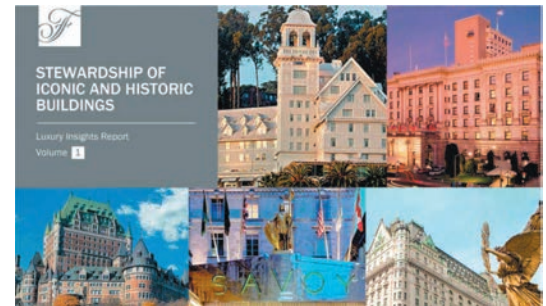
A number of options are available for communicating with the news media, including press releases, press conferences, exclusives, and interviews. Of course, this effort could be for naught if the news media decides not to report the information and the message would not reach the intended target audience.

Press Releases

One of the most important public entities is the press, and information delivered must be factual, true, and of interest to the medium as well as to its audience. The source of the **press release** can do certain things to improve the likelihood that the “news” will be disseminated, such as ensuring that it reaches the right target audience, making it interesting, and making it easy to pass along. The information in a press release won't be used unless it is of interest to the users of the medium it is sent to, so financial institutions issue press releases to business trade media and to the editor of the business section of a general-interest newspaper, for example. Press releases are typically a simple one-page text summary of the story a company wishes to be published in news media, along with background and contact information. Digital transmission of these includes a photo and links to other digital resources.

Additional information and presentation material may accompany the press release, making the whole presentation appear to be a complete ad campaign to influence news media. Companies release studies and will provide copies of the report and supporting links to associated data. They may also provide collateral material in both print and digital formats with video and still images. For example, Fairmont Hotels owns historic properties and views this as an important stewardship. Fairmont released a study indicating the value travellers place on visiting luxury accommodations and its responsibility in maintaining the historical authenticity of its properties. **Exhibit 15-6** shows the cover of the document illustrating the classic architecture. The digital press release included a standard text summary, a short video clip, stunning photos, and other useful information supporting Fairmont's stewardship positioning.¹³

EXHIBIT 15-6 Fairmont publicly acknowledges its responsibility regarding its historic properties.



©FRHI Hotels & Resorts

Press Conferences

Press conferences held by government officials and political figures occur regularly and people see them reported in media quite frequently. While used less often by organizations and corporations, this delivery is very effective because scenes of corporate spokespeople are viewed on television or online. The topic must be of major interest to a specific group before it is likely to gain coverage. Companies call press conferences when they announce significant news, such as the introduction of a new product. For example, Uber invited journalists to its Toronto office to describe its Express Pool option for riders to share an Uber with a stranger going in the same direction.¹⁴ Locally, community events, public services, and the like may receive coverage. Professional sports teams use this tool daily to communicate news that interests fans. The development of technology permits remote delivery of press conferences where reporters receive the presentation and participate in the follow-up question and answer session.

Exclusives

Although most public relations efforts seek a variety of channels for distribution, an alternative strategy is to offer one particular medium exclusive rights to the story if that medium reaches a substantial number of people in the target audience. Offering

an **exclusive** may enhance the likelihood of acceptance, and sometimes the media actually use these exclusives to promote themselves.

Interviews

Interviews occur on a variety of news or information shows. Usually, someone will raise specific questions and a spokesperson provided by the firm will answer them. Often, the president or owner will give interviews when there is important news about the firm.

STRENGTHS OF NEWS MEDIA PUBLICITY

Credibility

Public relations communication through news media publicity is not perceived in the same light as advertising. Consumers understand that most advertising is directly paid for by the sponsoring organization. Obviously, exceptions occur, such as public service announcements heard on the radio, for example. The fact that news media are not compensated for providing the information may lead receivers to consider the information more truthful and credible. For example, an article in a newspaper or magazine discussing the virtues of ibuprofen may be perceived as much more credible than an ad for a particular brand of ibuprofen. And while firms present the media with news releases or press kits and incur a cost, consumers generally perceive the news media source to be reasonably trustworthy with its reporting and journalistic expertise.

Endorsement

Information from news media publicity may be perceived as an endorsement by the media vehicle in which it appeared. Automotive awards presented in magazines such as *Motor Trend* carry clout with potential car buyers, and car companies often advertise their achievements. A number of auto manufacturers advertised their high customer satisfaction ratings reported by J.D. Power & Associates, an independent research firm specializing in satisfaction research. Taken together, the credibility and endorsement effects constitute a significantly positive media image.

Cost

In both absolute and relative terms, the cost of news media publicity is very low, especially when the possible effects are considered. While a firm can employ public relations agencies and spend millions of dollars, for smaller companies, this form of communication is an affordable alternative. Public relations programs that generate publicity require little more than the time and expenses associated with putting the program together and getting it distributed, yet they still accomplish their objectives.

Avoidance of Clutter

Because they are typically perceived as news items, news media publicity messages are not subject to the clutter of ads. A story regarding a new product introduction or breakthrough is treated as a news item and is likely to garner a receiver's attention.

Reach Specific Audiences

Because certain products appeal only to small market segments, it is not feasible to implement advertising and/or promotions to reach them. If the firm does not have the financial capabilities for promotional expenditures, the best way to communicate to these groups is through news media publicity.

Image Building

Effective public relations helps to develop a positive image for the organization through its resulting publicity. The examples discussed thus far indicate strong image-building capabilities with proactive public relations. News about a product may in itself serve as the subject of an ad.

Frequency Potential

Another strength is the frequency of exposure it generates. For example, a successful public relations activity could generate publicity exposure in multiple media (i.e., broadcast, print, Internet).

LIMITATIONS OF NEWS MEDIA PUBLICITY

Brand/Corporate Identification

Perhaps the major disadvantage is the potential for not completing the communications process. While these messages break through the clutter of advertising messages, the receiver may not make the connection to the brand or corporate source.

Inconsistent Message

News media publicity may also misfire through mismanagement and a lack of coordination with the marketing department. When marketing and PR departments operate independently, there is potential for inconsistent communications or redundancies in efforts.

Timing

Timing of news media publicity is not always completely under the control of the marketer. Unless the press thinks the information has very high news value, the timing of the exposure of the press release content to the public is entirely up to the media—if it gets released at all. Thus, the information may be released earlier than desired or too late to achieve communication effects.

Accuracy

The information contained in a press release can get lost in translation—that is, it is not always reported the way the provider wishes it to be. As a result, inaccurate information, omissions, or other errors may result.

IMC Perspective 15-1 summarized examples where a brand's advertising and promotion campaigns generated publicity. **IMC Perspective 15-2** is similar but identifies examples where a brand's public relations activities to support various causes generated publicity.

IMC PERSPECTIVE 15-2

CAUSES = REPUTATION + PUBLICITY^c

Both large and small organizations support causes as part of their public relations plans. Clearly, an altruistic motivation of “giving back” is pertinent, but these organizations also desire media coverage for publicity purposes to enhance the organization's reputation. Award-winning PR programs that support causes are reviewed here and the ensuing publicity is identified.



© 2022 London Drugs.

London Drugs is a regional chain in Western Canada that differentiated itself from larger national competitors

with new card offerings for Valentine's Day. The retailer launched an inclusive collection with 31 unique cards to reflect relationships beyond hetero-normative relationships. London Drug donated all proceeds to the United Way, a key charity partner from past years. The *Cards for All* initiative provided cards in multiple languages for a number of relationships. People from these groups designed the cards, and their stories became part of the communication with numerous interviews in multiple media representing over 100 publications. The publicity resulted in 26 million earned media impressions in the first week. The success motivated London Drugs to continue the effort for the subsequent year.

Poppy sales by the Royal Canadian Legion to commemorate Remembrance Day declined over a number of years. This trend and an awareness erosion of the poppy program among young Canadians motivated the Legion's lead sponsor, HomeEquity Bank, to go in a new direction. Research indicated young's people's exposure to war occurred when playing video games such as *Call of Duty*. Team Legion became the world's oldest e-sports team, comprising actual World War II veterans who interacted with gaming influencers online (e.g., over Twitch, Facebook Live, and YouTube Gaming) on November 11 at 11:00 a.m. with a key message—war is not a game. Cov-

erage of the event resulted in 7 million earned media impressions culminating in donations of nearly \$1 million.

Molson partnered with Sportsnet in 2021 to bring Canadians the first multilingual broadcast of *Hockey Night in Canada*. Viewers received the two games in seven languages beyond English and French representing the most spoken third languages in each of the seven Canadian NHL teams home towns. Pre-game communication invited viewers to a branded microsite to see a streaming version of the game in the seven languages. PR communication to multiple language media outlets ensured greater exposure, resulting in nearly 80 million media impressions. In total, the streaming site attracted 31,000 visitors.

IKEA established itself as a sustainable brand long before *sustainable* became a word to describe how organizations and people conserve resources in their everyday

behaviour. However, IKEA's low-priced and easy-to-assemble furniture became associated with fast furniture, where it is more simply disposed of after short-term use. To resolve this situation and demonstrate sustainability in a new direction, IKEA Canada made *Repurposeful Instructions* available on their website. Made to look like their original instructions, this new version demonstrated how consumers could convert 12 commonly purchased items to other uses. For example, IVAR cabinets became beehives. The instructions became a hit worldwide as publications reported the story, allowing many more people to learn about sustainability.

QUESTION

1. What direction could brands take to support these causes in future years?

LO4 Corporate Advertising

Corporate advertising implemented for marketing communication purposes is typically for the direct benefit of the corporation rather than its products. This approach is selected since it achieves corporate communication objectives, and it is used instead of media publicity since the firm exerts complete control over the message delivery rather than relying on news media acceptance for publicity to occur. Marketers seek attainment of corporate communication objectives by implementing corporate image advertising, cause-related advertising, and sponsorship. Cause-related advertising and sponsorship also occur at the product level, so the corporate/product-level distinction is murky at times. These three topics are summarized in this section after reviewing the purpose of corporate advertising, namely the management of corporate reputation.

CORPORATE REPUTATION

Previous chapters suggested that the communications framework described for advertising is applied to other communication programs, and this chapter highlighted that it also applies to public relations. As such, the application to corporate advertising to manage corporate reputation covers five steps: (1) Review the situation in terms of corporate business objectives, competitive positioning, and the desired corporate reputation outcome. (2) Assess current reputation attribute beliefs held by each key stakeholder audience. (3) Identify the target audiences from the stakeholders evaluated, and derive audience-specific behavioural and attitudinal objectives and audience-specific corporate positioning attributes. (4) Decide which corporate reputation-management program will achieve the objective for each audience. (5) Implement reputation-management programs and establish an ongoing plan to measure and monitor corporate reputation.

Figure 15-3 The top 10 companies in the 2021 Leger Most Reputable Company Survey

Rank	Company
1	Canadian Tire
2	Shoppers Drug Mart
3	Kellogg's
4	Sony
5	Campbell's
6	Google
7	Samsung
8	Interac
9	YouTube
10	Dollarama

Corporate reputation is a public relations term to convey the idea of corporate image since a key outcome of corporate advertising is to influence overall perceptions of the organization. Clearly, the notion of corporate reputation is attitudinal, thus indicating that the general framework suggested in this text is applicable for all IMC programs. Furthermore, all methods described in **Chapter 9** (e.g., focus groups, interviews, surveys) are readily applied for measuring corporate advertising effectiveness. News organizations publish polls that ask Canadians their opinion about corporations. **Figure 15-3** summarizes the findings from the 2021 Most Reputable Company Survey by the research firm Leger.¹⁵ Retailer Canadian Tire maintained its number one spot after establishing itself in the top spot during the 2019 survey.

CORPORATE IMAGE ADVERTISING

Corporate image advertising promotes the overall image of an organizational brand to attain public relations objectives among stakeholders. Organizations create or maintain an image for the company brand through positioning ads or advocacy ads that specify a firm's perspective on an issue.

Positioning Ads

Firms, like products, need to establish a position in the marketplace, and corporate image advertising activities are one way to accomplish this objective. A well positioned product is much more likely to achieve success than is one with a vague image or none at all. The same holds true of the firm. Companies with a strong positive corporate image have an advantage over competitors that may be enhanced when they promote any aspect of their organization or products. As shown in **Exhibit 15-7**, ads are often designed to create an image of the firm in the public mind. The exhibit shows how Accenture is attempting to create an image of itself as a nimble competitor with a humorous visual analogy.

EXHIBIT 15-7 Accenture uses corporate image advertising for positioning.



Accenture

Advocacy Ads

Advocacy advertising is concerned with propagating ideas and elucidating controversial social issues of public importance in a manner that supports the interests of the sponsor. Most organizations take positions on social, business, or environmental issues that influence their image and the public's perception. Advocacy ad messages indirectly promote an image for the company's brand by adopting a position on a particular issue. The ads may be sponsored by a firm or by a trade association and are designed to tell the audience how the firm operates or management's position on the issue. Advocacy ads address the firm's negative publicity and the firm's inability to place a message through public relations channels. They are also used if the firm wants ideas to be accepted or to have society understand its concerns. Renewable energy producers like Samsung devote a portion of their Internet site to communicating the environmental advantages of wind turbines to fulfill future energy needs. The rationale is to build an understanding of the potential benefits and likely to thwart the efforts of protesters who have health, safety, and economic criticisms (**Exhibit 15-8**).

CAUSE-RELATED ADVERTISING

Cause-related marketing involves an organization committing funds to a cause contingent on consumers buying the product. A typical cause-related marketing activity occurs when a percentage of sales during a certain time period is given to the cause. Consumers feel good about their purchase since a portion of the money goes in a desired direction, which enhances a company's reputation: a win-win-win! Cause-related marketing is a major program if the scope includes multiple partners, wide geographic distribution, a lengthy time frame, strategic orientation with organization-wide objectives, and association of the organization's brand and the cause.¹⁶ A summary of academic studies concluded that positive brand outcomes (e.g., brand attitude, awareness) occur with cause-related marketing programs that are important to stakeholders and are congruent with the cause recipient.¹⁷ Thus, cause-related marketing is potentially a significant part of an organization's CSR.

EXHIBIT 15-8 Citizens protest the development of wind turbines, citing numerous concerns.



©igor kisselev/Shutterstock

EXHIBIT 15-9 Bell supports mental health with its Let's Talk initiative.



Bell Let's Talk

Figure 15-4 Examples of successful cause-related advertising

	Campaign	Innovation
Rethink Breast Cancer	Give-a-Care Collection	Functional gifts
SickKids Hospital	SickKids VS	Dramatic imagery
Children's Wish Foundation	Do the Levi	Inspirational dance
Canadian Down Syndrome Society	Down Syndrome Answers	Searchable videos

Cause-related advertising occurs when an organization communicates its financial support for a cause with the intention of enhancing the organization's image and reputation. Cause-related advertising is part of a cause-related marketing program, part of a sponsorship program, or a communication of an organization's generosity or philanthropy. The organization benefits from the resulting favourable publicity, while the recipient cause receives much-needed funds. Research found that 80% of Canadians engage with a cause-related campaign; the same number say they would switch to another brand due to its cause-related activity presuming price and quality parity; and 60% want to hear about the cause-related marketing activities through periodic ads.¹⁸ Accordingly, brands look for unique opportunities to facilitate the communication process effectively and efficiently. For example, in 2018, Manulife took over from Becel as the title sponsor of the Heart & Stroke Foundation fundraising activity Ride for Heart. According to the VP of philanthropy and sponsorship, Manulife planned to align the company with healthy living initiatives. Others included Participaction Canada and Montreal's Bixi bike-share program.¹⁹

The Bell Let's Talk mental health initiative, launched by Bell in 2010, supports mental health programs. The campaign's message dispels the stigma surrounding mental illness. Bell invites Canadians to talk about mental health by talking to or texting loved ones, with \$0.05 going to the cause for every form of communication. In this case, Bell asks consumers for continued usage instead of purchase. Widespread media support for the cause includes TV, radio, print, in-store, out-of-home, digital, social, video testimonials, online (LetsTalk.Bell.ca), public relations via TV shows, and the Bell Let's Talk Day Special shown on TV. Messages feature notable celebrity spokespersons publicly sharing their personal stories. An example of a message from a recent year is shown in **Exhibit 15-9**. By 2019, total Bell funding reached over \$100 million for Canadian mental health programs. Statistics indicated that 40% of Canadians participated, 67% of those aged 18–24 participated, and 80% of Canadians say they are more aware of mental health issues since the start of the program.²⁰

Figure 15-4 summarizes a handful of successful cause-related advertising programs that the marketing community recognized as innovative examples that exemplified courage over pity in their messages.²¹ For each example, the name of the campaign and its key innovation that earned respect is identified. The whole emotional tenor of these messages moved away from historical sadness to uplifting imagery of hope. The brands (especially SickKids) received publicity through news media, and they all achieved their objectives successfully. Check out the videos for AToMiC Awards.

SPONSORSHIP

Corporate sponsorship of events is a significant public relations activity for major organizations in certain industries. Companies sponsor events for both corporate public relations objectives and marketing public relations objectives. This section provides an overview of sponsorship, a brief summary of the industry, and key sponsorship decisions, such as the type of sponsorship, brand positioning, target audience, brand activities, and effectiveness measurement. These sponsorship decisions are presented in the context of sports sponsorship for illustrative purposes because it represents the dominant expenditure—\$17 billion in North America in 2018. Each decision is readily adapted to other domains (e.g., entertainment).

Overview

Event sponsorship includes activities in which a fee is paid in exchange for an organization's marketing communication benefits. An organization agrees to sponsor an event since it provides exposure to a selective audience, and potentially a larger audience with television coverage or photos and videos posted in social media. A further benefit is the organization's association with the event, thus providing additional development of its corporate image. Overall, sponsorship offers the potential to achieve multiple objectives: awareness, brand positioning, and trial or repeat purchases through merchandising and promotional offers with the ultimate goal of increasing loyalty and distancing a brand from its competitors.²²

A survey of managers found that sponsorship contributes to brand differentiation and financial success.²³ Academic research conducted in lab experiments and in the field suggests that sponsorship contributes to brand recall and stronger brand attitudes.²⁴ A longitudinal study of a major sponsor for the United European Football League concluded that awareness measures of recall and recognition grew over time, indicating that brands should view sponsorship as a long-term investment and sign multi-year contracts.²⁵ Key factors for positive attitudes and loyalty to the sponsoring brand and the sponsored entity include a strategic fit between both partners, a local sponsor, a long contract, and an emotional motive for the brands to become partners.²⁶ Additionally, a study of pre-event and post-event brand image measures found that image improved due to event image, sponsor-event fit, brand familiarity, and importance of product category of the sponsoring brand.²⁷ An interesting finding arises regarding the number of sponsors. In situations where a single sponsor's motivation is altruistic, then its exclusivity receives stronger attitudinal effects. However, if a sponsor's motivation is sales oriented, then additional sponsors improve consumer attitudinal response.²⁸ Also, in situations with controversial co-sponsor brands, poor product association with the event and weak initial brand attitude leads to less desirable brand attitude outcomes.²⁹ The key message from this snapshot of academic research suggests that sports sponsorship contributes positively to brand communication effects like awareness, image, attitude, and loyalty provided the execution is implemented well.

Sponsorship Industry

An annual survey of Canadian sponsors, sponsorship properties, and agencies provides a snapshot of the industry. In 2019, sponsors spent an average of \$6.6 million while sponsorship properties received an average of \$3.9 million. Companies devoted 22% of their IMC budget on average toward sponsorship over the past 14 years surveyed. The total amount spent on sponsorship hit \$3.1 billion: \$2 billion for brand building and \$1.1 billion for activation. The majority of sponsorship is cash (78%), while the remainder is for "in kind" goods or services. Sponsors see the most valuable benefits, listed in order, as exclusivity, digital ads, broadcast ads, database access, spokesperson access, hospitality, ownership of area, and rights to market.³⁰ Sponsorship occurs in six domains, as shown in **Figure 15-5**, and sports sponsorship is the overwhelming leader (Canadian sponsorship ratios are similar).

Figure 15-5 Annual sponsorship spending in North America by property (\$ billions)

	2006	2009	2012	2015	2018
Sports	\$8.94	\$11.28	\$13.01	\$14.98	\$17.05
Entertainment	1.38	1.64	1.93	2.13	2.40
Festivals, fairs, events	0.61	0.76	0.83	0.86	0.94
Causes	1.30	1.51	1.70	1.92	2.14
Arts	0.74	0.82	0.89	0.86	1.03
Associations	<u>0.40</u>	<u>0.50</u>	<u>0.55</u>	<u>0.59</u>	<u>0.64</u>
Total	\$13.37	\$16.51	\$18.91	\$21.34	\$24.20

EXHIBIT 15-10 CIBC is a sponsor at Toronto's Lester B. Pearson International Airport.



©Jill Morgan/Alamy Stock Photo

In response to sponsorship growth, industry members began the Sponsorship Marketing Council of Canada to demonstrate sponsorship's communication value by establishing best practices and measurement approaches validate sponsorship investment.³¹ The Council annually recognizes the best sponsorship in many categories, and the top five categories are listed in **Figure 15-5**. Sponsorship beyond these forms occurs; CIBC is the official financial sponsor of the Greater Toronto Airport Authority and the new UP Express train from Pearson airport to downtown. As part of the deal, CIBC pays for the baggage carts and lets everyone know about it with a decorative sculpture (**Exhibit 15-10**). CIBC also enjoys exclusivity for ATMs, foreign exchange, and specialized hospitality services.³²

One example of a successful sponsorship with partners is Kraft's Hockeyville. The initiative allowed communities to compete to be named the country's best hockey town, with the winner announced on *Hockey Night in Canada* after online fan voting. Leading up to this, Kraft narrowed down the towns and cities to a final list. The winner received \$100,000 in rink upgrades, and the four runners-up received \$25,000 each. The promotion continued yearly with sales up noticeably during the eight-week campaign. Several brand measures were strong, like "Kraft has great community spirit," and Kraft "actively cares and supports my community." These results are what Kraft looked for when the promotion began, as its research indicated that most Canadians' lives revolved around the local community centre with a rink for hockey, figure skating, public skating, ringette, and sledge hockey. The assistance to improve the facilities appeared a natural fit for a company that makes family products (**Exhibit 15-11**).³³

EXHIBIT 15-11 Kraft's Hockeyville celebrates with the NHL.



©Francis Vachon/TCPI/The Canadian Press

EXHIBIT 15-12 A Sun Life ad is on the Raptors' jerseys as part of the sponsorship deal.



©Warren Toda/EFE News Agency/Alamy Stock Photo

Types of Sponsorship

Sports sponsorship involves endorsement deals or sponsoring a team, league, event, athlete, or organization, along with stadium naming or broadcast rights. The goal is to associate a brand with its target audience's entertainment consumption or lifestyle, thus enriching the overall brand experience. Sports sponsorship is successful with clear objectives, a good positioning strategy, adequate budget, the appropriate sporting vehicle, and key tactical implementation—characteristics seen in other types of promotional plans. One innovative partnership is Sun Life's sponsorship of the Toronto Raptors in which the players wear a Sun Life patch on their home jerseys (**Exhibit 15-12**). The sponsorship is part of an initiative for healthy living and the prevention of diabetes.

Working with an athletic sponsorship is similar to sponsorship with a team, but with a few unique issues. Foremost is ensuring a fit between the athlete and the company or brand. Exposure arrangements regarding an athlete's identity (i.e., name, image, and likeness), amount and type of service, and corporate logo placement need to be established. Rounding out the arrangement is the strategic communication use of an athlete in advertising, public relations, or sales promotion, and conditions for the sponsor to protect its investment (e.g., an ethics clause). In its PR strategy, BMO positions the organization as "The Bank of Soccer," and the bank brand reinforces this by partnering with Alphonso Davies, a player on Canada's Men's National Team. Communication included seven ads with Davies going up against a BMO banker, portrayed by actor Lamorne Morris, in a series of soccer skills challenges.³⁴ In addition, the Men's National Team entry in the FIFA World Cup in 2022 spurred other brands to sponsor soccer. Gatorade signed a deal with Canada Soccer to become the exclusive isotonic and sports nutrition partner of the national soccer teams. Allstate continued its partnership with the national team. GE Appliances and Hisense Appliances both stepped up, as each planned extensive promotional coverage during broadcasts with signage, sales promotions, and social media presence.³⁵

with the national team. GE Appliances and Hisense Appliances both stepped up, as each planned extensive promotional coverage during broadcasts with signage, sales promotions, and social media presence.³⁵

Brand Positioning

Companies are attracted to event sponsorships because effective IMC programs are built around them and promotional tie-ins are made to local, regional, national, and even international markets. Companies are finding that event sponsorship is an excellent approach to build equity and gain affinity with target audiences. While the overall market position of the brand may be well established throughout the marketing plan, sports sponsorship permits a brand positioning strategy to a unique and well-defined target audience toward which the brand has specific communication and behavioural objectives. For example, a sports sponsorship enables a brand to establish awareness and new brand associations as it reaches new customers to develop trial purchases.

Brands expect to spend accordingly in order to achieve their objectives, as the initial sponsorship investment requires additional advertising or sales promotion expenditures. In addition, brands ensure that the rights and benefits of the sports sponsorship allow the brand to achieve its objectives and positioning. For example, Empire (the parent company of Sobeys grocery stores) sponsored Canada's Olympic Team as part of its plan to win back market share it lost during its takeover of Safeway.³⁶ The high-profile characteristics of the Olympics is good sponsorship property for a business trying to improve its reputation. Finally, picking the right sponsorship that has the right profile at the right time and a partner that is receptive to making the deal work is paramount for successful implementation.

Target Audience Fit

Most companies focus their marketing efforts on specific market segments and are always looking for ways to reach these target audiences. Marketers find that event sponsorship is an effective way to reach specific target audiences based on geographic, demographic, psychographic, and ethnic characteristics. For example, golf tournaments are popular for sponsorship by marketers of luxury automobiles and other upscale products and services. The golf audience is affluent and highly educated, and marketers believe that golfers care passionately about the game, leading them to form emotional attachments to brands they associate with the sport. Alternatively, brands look to similar venues to reach a consistent target audience that fits. For example, BioSteel signed a deal with the Toronto Blue Jays (**Exhibit 15-13**). BioSteel executives saw the sponsorship as a good fit between the brand and world-class athletes along with a tie to health and environmentally conscious consumers.³⁷

Target Audience Exposure

Marketers are attracted to event sponsorship because it gets their company and/or product names in front of consumers. By choosing the right events for sponsorship, companies can get visibility among their target audience. Curiously, sponsorship deals raise interesting questions as to the target audience exposure of a sponsorship message, as shown in **Exhibit 15-14**. While exposure is no doubt important, the degree to which the sponsorship is noticed is a concern for managers since most events offer varying exposure levels for different amounts of money invested. Thus, the risk of potential clutter due to the prominence of a major sponsor can inhibit the exposure of secondary sponsors.

An additional exposure issue is the perceived infringement or “ambush” of non-sponsors upon a sponsor’s property. A non-sponsor’s marketing communication gives the impression that it is a sponsor through its imagery or promotional activities. A review of ambush marketing activities over the past

EXHIBIT 15-13 BioSteel and Blue Jays sponsorship partners.



BioSteel Sports Nutrition Inc.

EXHIBIT 15-14 Jeep saw a connection between its target audience and viewers of soccer.



Nderim Kaceli / Alamy Stock Photo

three decades identified three different types in which a brand had no legal right to a sponsorship property. Intrusive activities involved aggressive, predatory, or invasive activities with a deliberate attempt to threaten a legitimate brand sponsor. Obtrusive activities involved prominent marketing activities with a deliberate or accidental effect on a legitimate brand sponsor. Associate activities involved marketing activities that alluded to a sponsorship property. The article concluded with guidelines for properties and sponsors under all three scenarios.³⁸

Brand Activities

EXHIBIT 15-15 MXGP draws sponsors for its bike events.



Alessandro Avondo / Alamy Stock Photo

ences at a sponsored event.³⁹ Another study concluded that the type of activation contributed to consumers' understanding of the brand's message and intention for the sponsorship relationship.⁴⁰

Most sponsored properties include guidelines on what level of marketing the brand's support permits in terms of the number and size of signs, for example. Sponsored properties allow extensive brand activation to occur, while others place significant limitations on the type of brand activities permitted during the exposure. *Brand activation* is a catch-all term that describes various promotional activities—such as sampling, demonstration, and interaction both personally and technologically—that provide interesting experiences for consumers. Essentially, it is marketing communication with a goal of bringing consumers closer to purchase intention while in their decision-making process. For example, Crankworx is a mountain bike festival held annually in Whistler, British Columbia, that attracts significant sponsorship levels. Motocross events as shown in **Exhibit 15-15** offer substantial brand activation promotional activities as part of the MXGP sponsorship. Its Internet site lists its numerous partners and exhibitors who showcase their products with clear and colourful brand identification. One study found positive brand communication effects of both anticipating and participating in brand activation experi-

Measuring Sponsorship Effectiveness

As noted with other communication programs, sponsorship planning follows a general framework of performing a situation analysis with relevant consumer and competitive research, establishing objectives (i.e., marketing, communication, behavioural), developing strategy and tactics, and outlining the criteria and measures of effectiveness to assess the attainment of objectives.⁴¹ Sponsorship is a particular aspect of PR, so the approach raised earlier in this chapter is applicable. Sponsorship effectiveness research usually concerns exposure and communication effects.

Measuring exposure involves tracking the quantity and nature of the media coverage obtained for the sponsored property and estimating the direct and indirect audiences. Measuring communication effects involves tracking target audience awareness and attitude of the organization or brand with survey research. Tracking sponsorship recall or recognition measures are also added to this research. Moreover, the tracking measures are possible for current customers, potential customers, and the general public before, during, and after the event to get a complete picture of the sponsorship. Finally, one researcher makes a number of managerial prescriptions about effectiveness research based on extensive findings. Sponsorship content should be visible. An organizer should clearly thank the sponsor at the event; this can be implemented in the media as well. Planners should avoid multiple-sponsor events. The sponsorship should offer value to the audience, who should perceive it as being distinct from brand advertising.⁴²

LO5 IMC Planning: Strategic Use of PR

Public relations activities communicate infrequently to a broader population and attempt to persuade the target audience on more global or abstract attributes of the company and its brand. With this in mind, public relations generally does not influence the consumer decision-making process because the activities are not sequenced to match the purchase and consumption behaviour of consumers, as they are in advertising or sales promotion. For that matter, it is unlikely that a single public relations activity would coincide exactly with decision making for any other stakeholder that might be a target audience for the organization.

For example, CIBC is the title sponsor for Run for the Cure, an annual event to raise funds for the Canadian Breast Cancer Foundation (**Exhibit 15-16**). The late-September event features considerable lead-up media exposure funded by CIBC; however, this timing does not necessarily fit for all customers and non-customers of CIBC since financial products and services are purchased year-round. Presumably, CIBC expects this sponsorship activity to have a broad, long-term benefit associated with the corporate brand that consumers and all other internal and external stakeholders would retain during the year and until the event returns. After two decades of support, CIBC wanted to stand out from the clutter of charity fundraising events by recording a first-person account of breast cancer treatment. The video contributed to significant increases in post-event attitudinal measures (e.g., inspiring, moving, hopeful).⁴³ However, the growth of cause-related marketing activities and the resulting data shown in this chapter indicate that programs by major brands may be contributing to stronger overall attitudes.

EXHIBIT 15-16 CIBC's Run for the Cure draws enthusiastic supporters.



©Photo courtesy of the Canadian Breast Cancer Foundation

Advertising and PR often reinforce one another. The launch of a new advertising campaign is helped with additional exposure through news media in the form of announcements in the newspaper, clips shown on television, or information and complete ads posted on the Internet. Sometimes, brands take advantage of favourable publicity and make note of this in their advertising or make it a central theme in a particular message. Alternatively, if the corporation involved itself with sponsorship of arts, a cause, or sports, the advertising can make reference to this for regular brand messages beyond advertising messages dedicated to communicating information about the sponsorship. For these reasons, it is no wonder extensive proliferation of public relations expenditures occurs.

Internet sites for corporations are a primary vehicle for communicating basic facts (especially the corporation's social and community interests) and for disseminating common public relations tools. For example, firms regularly put copies of their press releases on their sites and also include video clips of corporate activities like speeches or annual shareholder meetings. The ability of virtually anyone to obtain basic company information through the Internet makes it a desirable tool for firms to project their best image with timely content to ensure strong reputation management. However, the darker side of the Internet appears in the form of unwarranted negative publicity for brands. Even the average person may try to sabotage organizations that have appropriate corporate missions, sell legitimate products, and follow the laws of the land.

Learning Objectives Summary

LO1

Recognize the importance of public relations in the promotional mix.

This chapter examined the importance of public relations. Public relations is typically accomplished through publicity generated through news media and corporate advertising. We noted that these areas are significant to the marketing communication effort and are usually considered differently from the other promotional elements. The reasons for this special treatment stem from the facts that (1) they are typically not designed to promote a specific product or service, and (2) in many instances it is harder for the consumer to make the connection between the communication and its intent.

PR is often a separate department operating independently of marketing; in others, it is considered a support system. Many large firms have an external public relations agency, just as they have an outside ad agency. Thus, public relations is useful with its traditional responsibilities; however, increasingly more marketing-oriented firms use PR at the brand or product level for enhanced communication efforts.

LO2

Explain how to compile a public relations plan.

Like all aspects of IMC, a public relations plan begins with a situation analysis, in particular an evaluation of public attitudes to the firm through a survey methodology in order to gauge an accurate reading. Influencing the right

audience is another critical element as the organization must decide to communicate with groups such as employees, investors, community members, suppliers, customers, media, educators, and any other relevant societal stakeholder. Objectives need to be set, consistent with the behaviour and communication ideas suggested earlier in this book.

An appeal of sorts is also established for public relations, much like advertising: it is a clear message with a focus that often has creative elements. The delivery of the message occurs through established media channels discussed already, and through the media to generate publicity. Finally, tactical considerations and effective measures are established for full implementation.

LO3 Examine how public relations is generated through news media publicity and argue its strengths and limitations.

A news story about a person, product, service, or organization appearing in journalistic media is known as publicity. In this case, publicity is positive or negative and the firm reacts accordingly; preparedness for this scenario is certainly possible and recommended. Alternatively, a firm seeks media coverage for important news by communicating with media with the planned intention of receiving positive stories. Firms use press releases, press conferences, exclusives, interviews, and community involvement, and use other creative means to persuade journalists to cover the story.

Messages about a company that consumers receive through the media have strengths, including credibility, endorsement, low cost, less clutter, ability to reach specific audiences, image building, and frequency potential. Limitations include whether the brand is actually stronger, and a lack of control leading to an inconsistent message, poor timing, and possible inaccuracy.

LO4 Illustrate how public relations is managed through corporate advertising.

Corporate advertising involves the reputation management of the firm through advertising and promotional activities designed to put the firm in the most favourable public position. *Corporate advertising* is a general term to cover all marketing communication that usually includes image advertising, cause-related advertising, and sponsorship. Corporate advertising can be controversial because sometimes the source of the message is top management, who may have their own intentions and motivations. This element of communication definitely has its place in the promotional mix but should follow the planning suggestions outlined in this chapter in order to be effective.

LO5 Apply the ideas of public relations within the development of an IMC plan.

Public relations is an integral part of an IMC program as PR potentially reaches many different constituents in the general public and those immediately connected to the organization. Furthermore, public relations both supports and can lead other IMC programs like advertising, sales promotion, and digital communication. As such, the execution of public relations should be carefully planned with objectives, strategies, and tactics much like any other aspect of marketing communication.

Review Questions

1. Identify the key differences between public relations and news media publicity. In what ways are the two interdependent?
2. Describe the reasons why firms use public relations in an IMC program. Provide an example of an appropriate use of public relations in this mix.
3. Many companies are now trying to generate as much media publicity as they can. Cite examples, and discuss the advantages and disadvantages associated with this strategy.

4. Companies are now taking the position that their charitable contributions should lead to something in return—for example, sales or increased visibility. Discuss the pros and cons of this position.
5. Explain how public relations activities and media publicity can be executed with Internet media.

Applied Questions

1. Some marketers and PR people believe public relations should replace advertising as the primary program for introducing new products. Explain why this would or would not be a good plan.
2. Select an organization that you admire and compile notes on the content of its public relations plan based on Internet research.
3. How do music artists take advantage of media publicity? Which strengths do they predominantly use? How do they minimize the limitations of media publicity?
4. Identify the sponsors of different concerts or entertainment activities you have attended and make a conclusion as to why this type of sponsorship may be successful.
5. Explain why a company like RBC would use public relations programs described in the chapter, including media publicity, corporate image advertising, cause-related advertising, and sponsorship.

CHAPTER SIXTEEN

Direct Marketing



OVO

LEARNING OBJECTIVES

- LO1** Define direct marketing and summarize the importance of a database for direct-marketing communication decisions.
- LO2** Express the decisions of a direct-marketing plan.
- LO3** Describe the content of a loyalty program.
- LO4** Evaluate the strengths and limitations of direct marketing.
- LO5** Apply the ideas of direct marketing within the development of an IMC plan.

Direct Mail Delivers the Ad Message^A

Direct mail keeps on delivering ad messages to consumers even in the age of Internet media and social media advertising. Direct mail's strengths of tactile feel, colourful visuals, informative copy, and careful targeting based on one's location makes this media channel a key part of an IMC program for many brands like OVO and RBC, Long & McQuade, Freshii, and popular pizza brands.

RBC partnered with OVO and the OVO Summit to attract younger consumers. The Summit provided an opportunity for young creative and lifestyle entrepreneurs to develop their career. Interestingly, RBC included direct mail in its IMC program along with innovative cryptic billboard messages. The direct mail targeted Toronto youth aged 18 to 29, with many of them showing photographs of the piece in social media! These two aspects of the plan meshed well with a video with OVO co-founder Oliver El-Khatib, whose inspirational story coincided with the Summit's message.

Long and McQuade is Canada's largest music retail chain with 86 stores. Its IMC program includes radio to influence older consumers, digital flyers to reach younger consumers, event marketing, sales events, in-store promotions, and of course two direct mail offerings. It sends out a mailer to 250,000 consumers in the first six months of the year and a 200-page catalogue during the fall to spur Christmas gift sales.

Freshii restaurant adopted direct mail for the first time ever to entice consumers to visit the restaurant for dinner to taste their new "Plates" product line featuring four unique flavours. The direct mail featuring promotional

offers worked well with other aspects of the IMC program such as paid social, search, and display ads; in-store promotions; and a free plate for the first 10,000 customers who ordered via SkipTheDishes.

Pizza Hut, Pizzaiolo, and Boston Pizza all used direct mail in their IMC plans recently as well. Pizza Hut partnered with Beyond Meat with the plant-based option added to menu items such as pizza, flatbreads, and pasta dishes. The message highlighted that even carnivores would appreciate the new offerings. The IMC program included social and digital ads, influencers, in-store signage, email, and direct mail.

Toronto-based Pizzaiolo expanded its operations with new outlets and invested more dollars toward their IMC program that included TV, radio, social media, and direct mail. The message reinforced the higher quality positioning of the brand that uses improved ingredients.

Finally, Boston Pizza implemented humorous approaches to advertising over the years, and a recent direct mail fit this style perfectly. The fun brand released a catalogue of 20 products with a pizza-inspired theme or themed items from partner brands. The catalogue displayed a stocking-shaped Budweiser glass, a pepperoni rimmer to garnish a Bacardi glass, and pizza-shaped Wiser Whiskey stones!

Question

1. Why do these brands value direct mail to deliver their ad message?

Direct marketing includes programs that use direct-response media such as direct mail, catalogues, telephones, TV infomercials, and digital communication. In essence, it uses the media identified thus far and others, but with a behavioural objective that occurs more immediately in addition to communication objectives. A major direct marketing activity in many consumer markets is a loyalty program in which brands communicate directly with their customers and offer sales promotions.

This chapter presents an overview of direct marketing with a similar planning structure introduced in earlier chapters. First, the chapter provides an overview of direct marketing with reference to the important use of a database. It then identifies key decisions for a direct-marketing program. Next, the chapter describes the content of a loyalty program and consumer adoption of these programs. Finally, the chapter concludes with a summary of the strengths and limitations of direct marketing. The IMC planning section summarizes the strategic use of direct marketing.

LO1 Direct Marketing

Companies rely on promotional mix elements such as advertising and sales promotion to move their goods and services through intermediaries, but they also market directly to consumers. Advertising and sales promotion manage a brand's image, convey information, and raise awareness. However, communicating directly can generate an immediate behavioural response that makes direct marketing a valuable part of the promotional program. This section defines the purpose of direct marketing,

illustrates how to develop a database, and summarizes two implementation uses of a database: targeting and customer relationship management (CRM).

DEFINING DIRECT MARKETING

EXHIBIT 16-1 Bose uses multiple methods to promote its products.



Source: Bose Corporation

Direct marketing is the interactive use of advertising media to stimulate an immediate behaviour that is tracked, recorded, analyzed, and stored in a database for future retrieval and use.¹ Direct marketing involves marketing research, segmentation, strategic and tactical decisions, and evaluation, as shown in the planning model in **Chapter 1**. For implementation, direct marketing uses **direct-response media**, including direct mail, telephone, interactive TV, print, the Internet, mobile devices, and other media to reach both customers and prospective customers. Bose Audio markets through stores and online, supporting its efforts through advertising (**Exhibit 16-1**).

The use of direct-response media differs depending on whether the identity of an individual within the target audience is known. For example, direct mail can be addressed, where the person's name and address is on the communication sent to the home (or business) location. In contrast, unaddressed mail reaches homes and is delivered in bulk to selected geographic areas, or to areas determined through the use of another segmentation variable chosen by

the promotional planner. In either case, an important element of direct media selected is the development of a database. The content and use of a database for the purpose of marketing communication is summarized. This general approach is applicable for all direct-response media described in this chapter and for Internet media discussed in **Chapter 17**.

DEVELOPING A DATABASE

As noted throughout the text, market segmentation and targeting are critical components of promotional programs. Direct-marketing programs employ these principles significantly since their success is tied to reaching a very specific target audience. Direct marketers use a **database**, a listing of customers and/or potential customers, to identify and profile their target audience. This database is a tool for **database marketing**—the use of specific information about individual customers and/or prospects to implement effective and efficient marketing communication. This section looks at the content of a database, database use for targeting, and database use for CRM.

Database Content

The database contains names, addresses, and postal codes; more sophisticated databases include information on demographics and psychographics, purchase transactions and payments, personal facts, neighbourhood data, and even credit histories (see **Figure 16-1**). With the development of electronic communication, databases may also contain email addresses and consumers' social media identification. For example, Facebook developed an app that automatically generates a contact form that feeds into an advertiser's database.²

Organizations compile their own database and regularly update it through transaction information or marketing communication activities. Other sources include warranty cards, surveys, consumer/trade shows, inbound communication, and Internet browsing behaviour (especially through social media). A key success factor of a customer database is keeping it current by purging old and/or inactive customers and updating it frequently. The **RFM scoring method** is used to see the recency, frequency, and monetary transactions between the company and the customer. Data are entered each time there is a transaction, allowing the company to track how recently purchases have been made, how often they are made, what amounts of money are being spent, and which goods and/or services are purchased.

Numerous outside sources for buying or renting a database exist. Census data from Statistics Canada provides information on almost every Canadian household (e.g., size, demographics, income). Canada Post provides information on a postal code level for both household and business locations, and also offers comprehensive mailing lists for rent. Other list service organizations exist, such as Info Canada, which offers numerous types of business and consumer lists that the company builds from many sources. Large market research organizations conduct annual studies of customers and compile the information on total orders placed, types of products purchased, demographics, and purchase satisfaction. Loyalty programs contain significant

Figure 16-1 Contents of a database for direct marketing

Consumer Database	Business-to-Business Database
Name	Name of company and contact
Address/postal code	Address/postal code
Telephone number	Telephone number
Email, social media coordinates	Email, social media coordinates
Age	Credit history
Gender	Industrial classification
Marital status	Size of business
Family	Revenues
Education	Number of employees
Income	Time in business
Occupation	Source of order/inquiry or referral
Transaction history	Purchase history
Promotion history	Promotion history
Inquiry history	Inquiry history
Unique identifier	Unique identifier

amounts of information on consumer purchase patterns, and these data are shared with marketing partners. Finally, any company that collects consumer data is a potential source of data for purchase, provided the company disclosed this to its customers.

This significant database expansion and the increased privacy concerns relating to a consumer's personal information in a database has resulted in subsequent legislation during the past decades. Canada's privacy laws limit what marketers can do with the information contained in a database; refer to www.priv.gc.ca for a complete guide. Responsible direct marketing companies compile and use consumer data in accordance with the laws and recommendations from professional marketing organizations. The Canadian Marketing Association (CMA) and the Canadian Advertising Foundation (CAF) asked its members to adhere to ethical rules of conduct in their marketing efforts. For example, companies who collect data ask for consent from consumers prior to communicating and reassure their customers that the data will not be sold to a third party. Despite these positive industry efforts, research shows that Canadians willingly share personal information if they receive promotional offers in return.³

Database Use for Targeting

Marketing decisions require information, and the database compiled for direct marketing purposes provides detailed facts for two managerial concerns in this section. As noted earlier, profiling a target audience with precision provides greater marketing communication effectiveness and efficiency. The database permits extensive and advanced statistical analysis to identify specific audiences for which a customized and/or personalized message or promotional offer can be delivered through a direct-response medium. For example, Knorr entered the frozen food category and delivered direct-mail pieces, also containing a coupon, to households according to demographic and purchase behaviour potential along 10 different characteristics. Those most likely to respond included past Knorr consumers of other product categories who were interested in the frozen food category and who had sufficient disposable income to afford a premium product. The various combinations of the 10 characteristics provided opportunities to reach different target audiences ranging from very low to extremely high levels of audience attractiveness. The results indicated a 10% response rate, substantially higher than the projected 3%. One of the more attractive target audiences attained a response rate of 50%.

As this Knorr example illustrates, certain consumers are more likely to be potential purchasers than others. By analyzing the characteristics of the database, a marketer like Knorr can target potential audiences that have a stronger likelihood of responding to the offer (e.g., use coupon, trial purchase) and the database serves as the foundation to profile the target audience who will likely make a trial purchase.⁴ Finally, this example shows how brands cross-sell by offering new products or related products to customers who have bought in another product category.

EXHIBIT 16-2 Costco mails promotional offers to its members.



Source: Costco Wholesale Corporation

Similarly, the database is used to target customers to help encourage repeat purchases. Once an initial purchase occurs, the customer's name and other information may be entered into the database. These people are proven users who offer high potential for repurchase. Companies such as house care services (e.g., lawn care, snow removal) and car dealers build a base of customers and contact them when they are "due" to repurchase. These activities are examples where the timing of repeat purchasing is important, as identified in **Chapter 5**. Costco mails promotions to members regularly to encourage return visits (**Exhibit 16-2**), which likely improves the frequency objective identified in **Chapter 5**.

Database Use for CRM

EXHIBIT 16-3 Tims Rewards loyalty program facilitates CRM.



©PurplePanda/Shutterstock

Another aspect of repeat purchasing occurs through **customer relationship management (CRM)**, where marketers develop and maintain a significant amount of information about their clients. The aim is to establish and maintain a relationship with customers through personalized communication and customized product/service offerings. CRM relies on software technology and an extensive database specifically designed to implement the management of customer relationships. For example, **Exhibit 16-3** shows a popular brand's loyalty program, a key part of CRM since it provides an incentive for repeat purchase. Loyal buyers are open to receiving regular communication from previously purchased brands; about 60% of consumers are interested in personalized promotional offers or product recommendations for items like groceries, entertainment, health/beauty, electronics, and clothing.⁵

Timely communication and appropriate promotional offers that fit with the customer's past purchase behaviour are the hallmark of CRM, for which a database and direct-response media are imperative. One study found that a referral program administered with direct marketing within a banking relationship provided a positive return on investment.⁶

Another study examined the effect of an ad campaign directed to loyal customers on non-customers. The messages motivated customers to communicate to non-customers via social media. This resulted in a 28% increase in message transmission.⁷

For example, the Canadian division for American Express promotes its credit card to members with its "Front of the Line" program. The brand periodically launches email campaigns to initiate usage of the program among existing members and launches media campaigns to attract new members to the card and its loyalty program features.⁸ As this illustrates, a company can identify trends and buying patterns that will help it establish a better relationship with its customers by more effectively meeting their needs through analysis of the data.

LO2 Direct-Marketing Plan

To successfully implement direct-marketing programs, companies make a number of decisions much like with other marketing programs. For example, they determine (1) whom to target by using a database; (2) what the program's objectives will be; (3) what direct-response media strategy will be employed; and (4) how to measure direct-marketing effectiveness.

TARGET AUDIENCES

As the database description suggested, direct marketing is especially useful for targeting current customers. Well managed firms have extensive records of their customers in terms of their purchases and other relevant characteristics, allowing for personalized and customized communication. Alternatively, the database section identified other sources from which to compile a database of non-customers. Businesses expand geographically or along another dimension (e.g., demographic, socioeconomic) where an accurate database and direct marketing could generate trial among prospects. As the earlier Knorr example showed, other segmentation variables accurately profile a target audience for marketing communication.

two-step approach involves the use of more than one medium. The first effort is designed to screen, or qualify, potential buyers. The second effort generates the response. For example, business marketing companies use telemarketing to screen on the basis of interest, then follow up to interested parties with more information designed to achieve an order or use personal selling to close the sale.

Direct Mail

EXHIBIT 16-6 Jaguar used direct mail to introduce its new automobile.



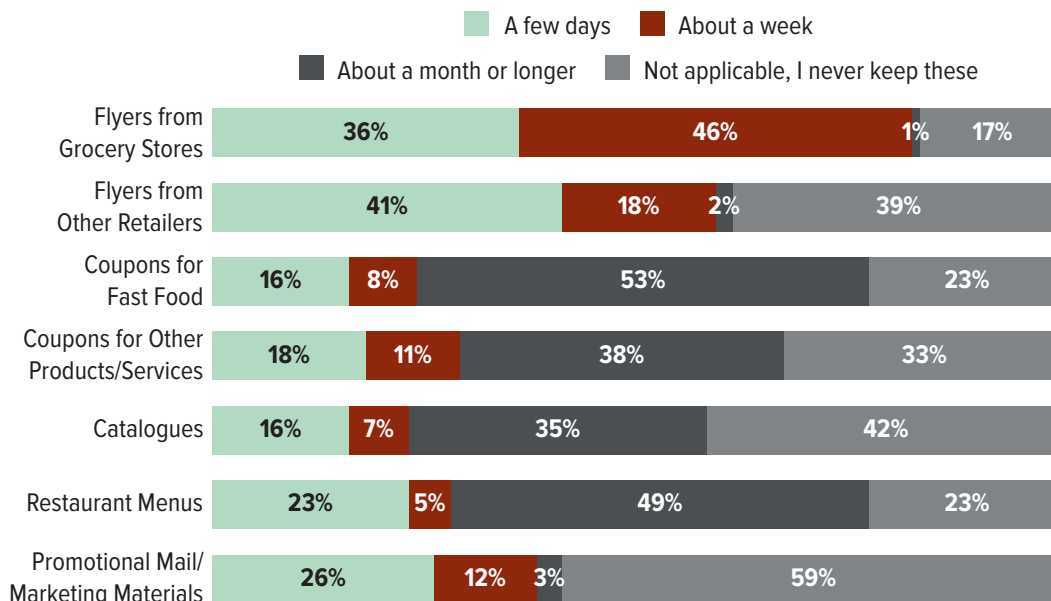
Source: Jaguar Land Rover North America, LLC.

Direct mail advertising revenue by Canada Post hit \$1.14 billion in 2016.¹⁰ This amount is 60% of the amount spent on Internet display ads for 2016 at \$1.91 billion. As an example, the material shown in **Exhibit 16-6** is an example sent by Jaguar to market its new F Pace automobile, which indicates that high-end brands see considerable value in this direct-response medium. As noted, a successful direct mail program relies on a database that may be a purchased **mailing list** comprising relevant market information regarding geography, demographics, socioeconomic, and lifestyles. Lists are now very selective for improved effectiveness and very current to minimize waste coverage and maximize efficiency. For example, a Canadian company like www.cleanlist.ca offers different types of lists to acquire, retain, and cross-sell customers and claims it has very current information for all of its lists.

Canada Post has a strong interest in developing the market for direct mail and provides extensive research and service to facilitate this goal, especially for small businesses concerned with reaching their customers and prospects with a low-cost option. Canada Post research shows that:

- Receiving mail is meaningful due to the ritual of retrieving and sorting through the mail in the same home location each day. The ritual is more significant in a consumer's life compared to the fluid routine of scanning email or social media messages. In fact, 70% are curious to find out what is in their mailbox.
- Direct mail advertising obtains strong exposure levels; 74% always or sometimes notice direct mail advertising to go along with the fact that 85% will open mail if it looks interesting, and 81% read their mail the same day they receive it.
- Direct mail messages contribute to ad recall; 80% remember seeing or reading mail sent to them in the past four weeks, and 60% say that really good ad mail helps to keep the sender's brand name top of mind.
- Direct mail ads remain in the household for a good amount of time, leading to continued exposure and potential action, as **Figure 16-2** indicates.
- Direct ad mail drives behaviour, with 64% visiting an Internet site, 47% visiting a store, and 54% interacting with social media. And surprisingly, Canadians prefer mail over email from businesses marketing their products.¹¹

FIGURE 16-2 Length of time consumers retain direct mail ads



Source: "Breaking Through the Noise," White Paper published by Canada Post.

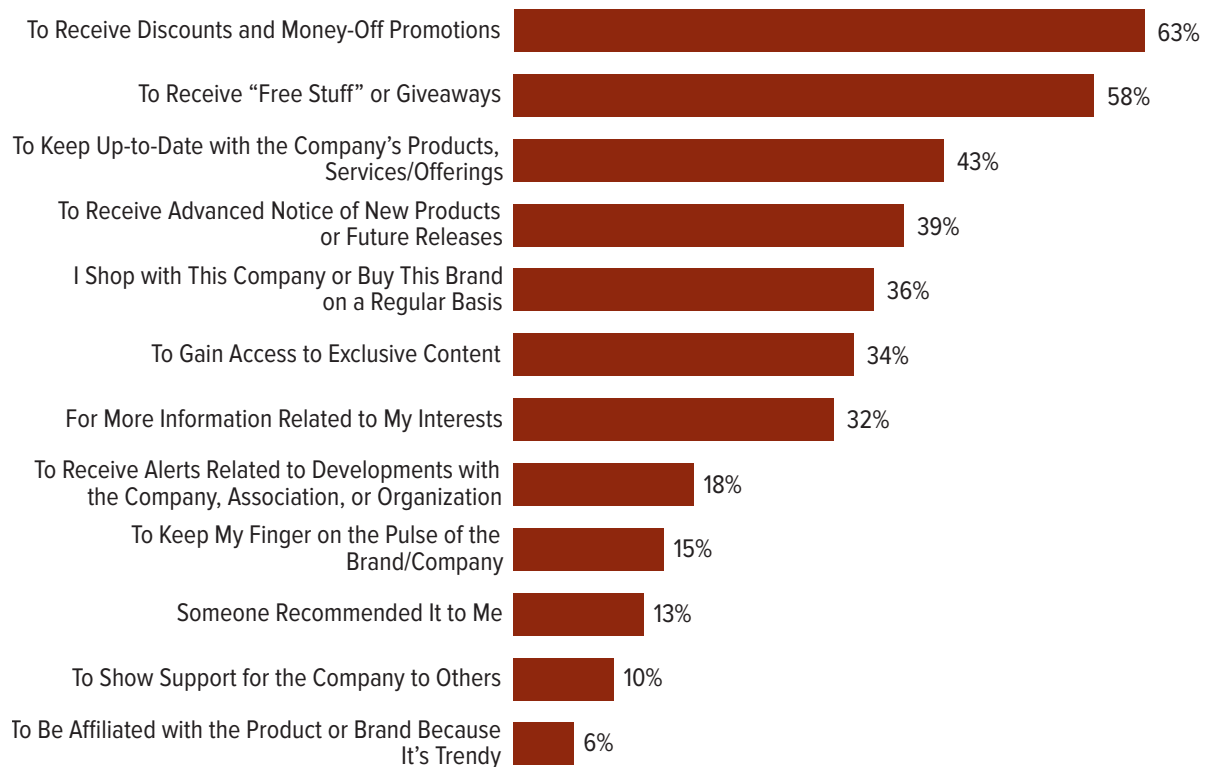
Catalogues

Certain companies rely solely on catalogue sales. For example, Yves Rocher markets botanical beauty care products for women. It expanded into Canada with its small catalogues and sells directly to consumers. Lee Valley Tools began as a mail-order catalogue company years ago but branched out to retail stores across the country and online sales. Beyond these examples, research investigating the effects of catalogues versus email and digital paid search for a major clothing company concluded that catalogues contributed to in-store sales while the email and digital paid search contributed to online sales.¹² IKEA delivers millions of catalogues to Canadian homes each summer, introducing new products, styles, and décor ideas, and the catalogue is a main marketing program to encourage consumers to visit a retail outlet or the Internet site. The catalogue is a strong brand-building program to demonstrate how IKEA's products can improve the homes of millions of consumers. With sales lagging slightly, IKEA advertised and promoted the catalogue as a planning vehicle for redecorating when consumers perceived changes in their life.¹³

Email

Direct mail on the Internet is essentially an electronic version of regular mail; it is highly targeted, relies heavily on lists, and attempts to reach consumers with specific needs through targeted messages. Consumers opt-in to have specific types of email sent to them and other types not sent. **Figure 16-3** summarizes the reasons why Canadian consumers are interested in receiving email messages from companies. One innovative study of a home improvement retailer concluded that seven emails per month is the optimal number to send, and that sending four emails per month yielded 32% less lifetime profit and sending 10 emails per month yielded 16% less lifetime profit.¹⁴

FIGURE 16-3 Reasons why Canadians receive email messages



Source: Based on data from ExactTarget, 'Subscribers, Fans & Followers #21: The Digital North,' June 13, 2013

Consumers also receive unwanted emails, referred to as **spam**. However, legitimate and enlightened marketers accept the practice of permission-based marketing. Canada's anti-spam laws require any organization to obtain the receiver's consent, identify their organization, and provide an unsubscribe option with every electronic communication delivered (for information, see <http://fightspam.gc.ca>). Consumers who opt-in receive email from subscriptions, loyalty programs, retailers, and direct marketers. A detailed and sophisticated database is developed from consumers agreeing to opt in since they provide segmentation-like information. Finally, note that the reasons put forth in **Figure 16-3** are oriented for consumer marketing. Email messages also work for business marketing. **Exhibit 16-7** illustrates a creative example targeting flooring professionals who rely on strong suppliers.

EXHIBIT 16-7 An example of a creative message delivered through email.

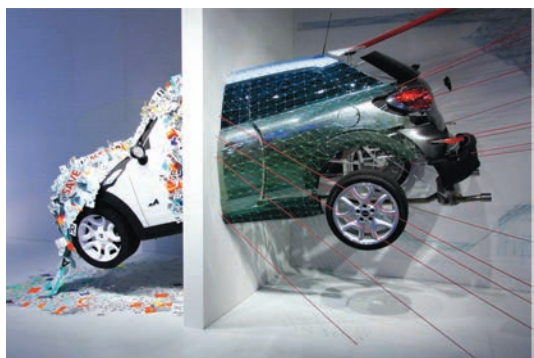


©Woodchuck Flooring Inc./Full Scoop Marketing

mercials for products such as health and beauty, fitness, and household goods. In **direct-response advertising**, the product is offered, and a sales response is solicited through either the one- or two-step approach. Toll-free phone numbers are included so that the receiver can immediately call to order and companies run direct-response television commercials to encourage website visits.

An **infomercial** is a commercial that is 3–60 minutes long. Infomercials are usually produced by the advertisers and are designed to be viewed as regular TV shows. As the name implies, *infomercial* is a shorter way of saying *informational commercial*. Relatively speaking, infomercial ad revenue is not significant in Canada. One study compared the communication effects of a one-minute ad, 15-minute infomercial, 30-minute infomercial, and direct experience (i.e., interacting with the product). The authors concluded that infomercials provided results more closely related to direct experience than a one-minute ad, presumably because both messages allow for extensive cognitive and emotional processing for a longer duration.¹⁷

EXHIBIT 16-8 Mini uses an infomercial-like video to attract buyers.



©Adriano Castelli/Shutterstock

ence like other channels, via direct mail and email, broadcast ads, print ads, paid Internet search, and social media. The lines of communication get blurred a little as TSC is available in catalogue form and on the Internet.¹⁸

Research investigated two of the behavioural responses to receiving email: visiting the brand's website, and forwarding the email to a friend. In a study for cosmetic and body care products sold in retail stores, more useful permission-based email messages yielded fewer website visits, presumably because the information satisfied consumer requirements. However, more useful, more interesting, and more frequent email messages resulted in more store visits, presumably to examine or buy the product. Consumers perceived useful emails as offering sales promotion information, or information about new products.¹⁵

In a sample of 1,259 forwarded emails from 34 participants, a study found extraordinary dispersion in the number forwarded during the one-month time frame. One person forwarded 177 messages and two others forwarded more than 100, while three people sent one each. Overall, participants forwarded about 40% of the emails received, which ranged from 0% to 100%. The implication of finding a “lead sender” for an email forwarding campaign appears critical for success, much like a lead user in a diffusion of innovation. Additional qualitative research in the study finds that participants experienced substantial positive and negative emotional responses when receiving forwarded email.¹⁶ It is important to note that the pass-along of email is an outcome and not a strategy. It is a manifestation of the receiver's cognitive and emotional responses to the message. Second, extensive email pass-along may have minimal benefit since it entails one short exposure of a brand message for most receivers.

Broadcast Media

The majority of direct-marketing broadcast advertising occurs on television. TV spots are *short-term programs* that include direct-response com-

mercials for products such as health and beauty, fitness, and household goods. In **direct-response advertising**, the product is offered, and a sales response is solicited through either the one- or two-step approach. Toll-free phone numbers are included so that the receiver can immediately call to order and companies run direct-response television commercials to encourage website visits.

The decline of Canadian infomercial ad revenue suggests that the video capabilities of the Internet diminished infomercials. Brands place the equivalent of an infomercial on their website, or on video sites like YouTube. Brands now produce long messages of the same length as an infomercial, however the content is more storylike rather than purely informational. These ads are shown both on TV and in Internet media vehicles. For example, Mini (**Exhibit 16-8**) produced a 360-degree virtual reality story, to be used with a smartphone, that provided a cinematic experience of driving the car. This long form ad of a brand might be described as a transformational commercial compared to an informational commercial, which is consistent with the two consumer purchase motivations identified in **Chapter 6**.

Finally, the Shopping Channel (TSC) is Canada's broadcast retailer available on all delivery formats (cable, satellite) across the country. It claims a reach of 6.5 million households, viewership of 1.5 million Canadians each week, and a 70:30 female-male ratio. TSC recruits its audi-

Telemarketing

Communication resulting in sales via the telephone is known as **telemarketing**. There are two types of telemarketing. *Outbound telemarketing* refers to calls made by a company or its sponsor to a potential buyer or client, soliciting the sale of products, services, donations, votes, or any other “value” issue. *Inbound telemarketing* occurs when a company has advertised its toll-free number or its website address—for example, asking the customer to call the number, visit the store, or log on to the website. Both for-profit and charitable organizations have employed this medium effectively in one- and two-step approaches.

The Canadian Marketing Association’s Code of Ethics and Standards of Practice provides extensive guidelines for telemarketing, among other marketing practices, to ensure that Canadians are treated fairly and responsibly using legitimate marketing practices.¹⁹ The federal government offers guidelines for consumers to understand acceptable marketing practices.²⁰ However, while telemarketing may have a negative media image due to annoying cold-calls, it also receives undeserved negative media image effects when fraudulent and deceptive activities are executed by phoning unsuspecting victims; in this case it is most definitely not telemarketing but rather a crime.

EFFECTIVENESS

For direct-marketing programs that do not have an objective of generating an immediate behavioural response, traditional measures of advertising effectiveness can be applied. In those situations requiring a direct response, measuring the effectiveness includes specific behavioural measures in addition to the communication measures. Using the *cost per order (CPO)*, advertisers can evaluate the relative effectiveness of an ad in only a few minutes based on the number of calls generated. By running the same ad on different stations, a direct marketer can determine the relative effectiveness of the medium itself. For example, if the advertiser targets a \$5 return per order and a broadcast commercial (production and print) costs \$2,500, the ad is considered effective if it generates 500 orders. Similar measures have been developed for print and direct mail ads.

Another measure of effectiveness is **Customer Lifetime Value (CLTV)**. CLTV calculates potential profitability the company generates from a customer associated with the brand over the course of the long-term relationship. Companies use CLTV to assist them in assessing future revenues and profit streams from all current customers so that they can focus on the satisfaction and retention of their more profitable customers. In this scenario, the company focuses its promotional budget on the most profitable customers while spending less on the less profitable customers. In addition, the CLTV is used to determine whether the company should invest in promotions and service levels to existing low profit customers, or to invest in promotions to attract new customers.

LO3 Loyalty Programs

One significant direct-marketing program is a *loyalty program* designed to reward customers for their repeat purchases. Companies track transactions in a database and provide cash, preferential treatment, goods, or services in return for continued patronage. These programs are common with airlines, car rental companies, hotel chains, and retailers. This section explains the purpose of loyalty programs, describes its characteristics, reviews consumer attitudes and their usage, and discusses digital communication directed to loyalty program members. Other names exist other than *loyalty program*, such as *rewards program*, *frequency program*, and *continuity program*; however, research concluded that the term *loyalty program* is most useful.

PURPOSE OF LOYALTY PROGRAMS

Loyalty programs are a means of encouraging consumers to buy products or services on a continual basis and an approach for developing strong customer loyalty. Companies realize the importance of customer retention and understand that the key to retaining and growing market share is building relationships with loyal customers. Loyalty programs provide marketers with the opportunity to develop databases containing valuable information on their customers that is used to understand their needs, interests, and characteristics as well as to identify and track a company’s most valuable customers.

These databases are used to target specific programs and offers to customers to increase the amount they purchase and/or to build stronger relationships with them. Careful management of databases is necessary to identify and track valuable customers and their purchase history and to make strategic use of targeted loyalty rewards. For example, Jones Soda’s loyalty program is linked with its social media and offers rewards for consumer participation (**Exhibit 16-9**).

EXHIBIT 16-9 Jones Soda of Vancouver offers a loyalty program.



©Mandel Ngan/AFP/Getty Images

The growth of loyalty programs suggests that their implementation goes beyond a reward mechanism offered by organizations. One view is that a loyalty program is an important competitive strategic characteristic on which companies differentiate themselves. In short, brands compete on design characteristics since they could be a significant factor in consumer decision making. For example, 45% believe that a loyalty program could be replaced with a competitor's program. In fact, research suggests that it may be one of the main drivers of consumer satisfaction after overall quality, leading the research company to suggest that loyalty programs may be the fifth "P" in the marketing mix.²¹

Academic studies echo some of this managerial thinking. One study of a convenience store loyalty program found that the program increased the dollar amount of goods purchased by light- and medium-volume purchasers. Heavy-volume consumers did not alter their purchase patterns.²² Another study found that the monetary, social, and entertainment benefits predicted a more positive view of the loyalty program, which in turn predicted customer brand loyalty, thereby supporting practitioners' view of the effectiveness of loyalty programs.²³

Finally, another study investigated the database of one company's loyalty program and found two segments of customers: one group buying out of habit and another group demonstrating substantial attitudinal brand loyalty. The authors suggest that unique cross-selling offers to each group could yield stronger returns.²⁴

LOYALTY PROGRAM CHARACTERISTICS

Loyalty programs are distinct from sales promotions based on the enrollment characteristic. Registration requires information from a consumer which builds a company's database to track purchases as described in the first section of this chapter and allow direct communication. **Figure 16-4** shows six characteristics of a loyalty program that are consistent with the structure of promotional decisions described throughout the book. One empirical study concluded that loyalty programs with direct and immediate rewards performed most strongly in the European retail grocery industry.²⁵ Another thorough study concluded that loyalty programs with no points expiry and uncomplicated points systems performed more strongly.²⁶ Collectively, these empirical studies advise promotional planners to keep a loyalty program's characteristics as simple as possible.

Figure 16-4 Characteristics of a loyalty program

Characteristic	Customer Effect
Objective	Influences purchases (frequency, amount, timing)
Strategy	Program to strengthen brand and customer loyalty
Tactic	Customer formally enrolls as a member
Time Frame	Customer participates continually over time
Incentive	Free products, preferential treatment, financial gain
Frequency	Receives regular communication and offers

Research on loyalty programs concluded that this IMC program influences consumers in three ways.²⁷ The *points-pressure mechanism* occurs when consumers earn points and then realize they are close to achieving a reward level and make additional purchases to achieve it. The *rewarded-behaviour mechanism* occurs after reward redemption as this process contributes to positive attitudinal and behavioural responses. The *personalized marketing mechanism* occurs with the use of the database marketing activities. The design of the loyalty programs affects each of these mechanisms. Design includes the structure in terms of the time frame and whether the reward is based on frequency or tiered customer groups. Another characteristic is whether the program is a single brand or a partnership. A third design consideration is whether the rewards are monetary vs. non-monetary, or brand vs. non-brand related. Finally, the reward could be immediate or delayed.

The Air Miles loyalty program offers an example of these design decisions (**Exhibit 16-10**). Air Miles is a partnership approach in which shoppers collect points while buying goods and services at retail locations, online, or in other ways (such as when using a credit card). Air Miles offers tiered customer groups with its gold level for those who collect a certain number of points from a minimum number of brands. Air Miles originally offered non-monetary rewards when consumers redeemed points for goods and services, including air travel. For many items, it would require a time delay to collect points and redeem them. Air

Miles currently offers consumers the option of using points collected as cash when making purchases at a point of sale. While a minimal delay is incurred, it is substantially less than before, since the minimum \$10 purchase can be made with 95 points, a level someone could accumulate in a month.²⁸

Air Miles also retains the characteristics of a loyalty program. It is a major strategic initiative for its participating brands. For example, Shell Canada offers Air Miles and regularly promotes additional offers to encourage repeat visits. Shell recently sent a direct mail piece that contained a card designed to be kept in one's wallet to receive a bonus when buying Shell gas. Air Miles is clearly structured as members enroll, receive a card, and track point totals in their online account. The accumulation of points takes time, and monetary and non-monetary rewards are a strong incentive. Consumers regularly receive direct mail and email notifications of offers to accumulate additional points. Air Miles tested an enhancement of its offerings through a mobile app allowing members to visit a participating retailer's site and earn promotional incentives with more frequent visits.

A number of prescriptions emerged to guide successful implementation of loyalty programs. First, brands use customer information within the database to perform behavioural (level, amount purchased) and attitudinal (brand associations and feeling) segmentation. Second, customized and personalized communication is critical as a one-size-fits-all approach is not useful since the database is established. Third, marketers could consider moving beyond direct mail and email for communication within the loyalty program and augmenting with social media to forge a stronger relationship with consumers. Finally, loyalty programs could consider ways to communicate to earn rewards more immediately through the use of location-based apps. **IMC Perspective 16-1** highlights a few research trends about loyalty program and describes the transition from PC Points and Shoppers Optimum to the PC Optimum loyalty program as an example of industry changes.

EXHIBIT 16-10 Air Miles is a popular loyalty program at many different retailers.



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IMC PERSPECTIVE 16-1

CONSUMERS LOVE LOYALTY PROGRAMS^B

Research suggests that consumers prefer loyalty programs offering free goods and services (i.e., PC Optimum, Scotiabank/Scene) over those that offer travel rewards. Recently, consumer expectations changed and loyalty programs of individual brands versus a coalition of brands like Air Miles gained popularity. Among the different programs, the top five attained very similar levels of consumer attitudinal response. Any way we look at it, consumers believe in the loyalty program concept, as a vast majority say it influences what, when, and where they purchase. In addition, 81% of loyalty program members are willing to have their purchases monitored in exchange for personalized offerings, and 91% want to interact with their loyalty program with the latest technology. Finally, some loyalty programs are ahead of others in using profile data to full advantage for member satisfaction. In particular, younger consumers are quite willing to adopt the methods of loyalty programs.

In 2013, Loblaw announced its purchase of Shoppers Drug Mart. Motivated by diversification and more intensive distribution of food products into the health store chain, the executives also eyed the successful Shoppers Optimum loyalty program. It took a few years, but in early 2018 the food retailing giant combined its PC Points pro-

gram with Shoppers Optimum to form PC Optimum. With duplication across programs, the total number of members approached 18 million consumers across numerous different store formats and banners within the Loblaw empire.



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Amalgamating the programs proved relatively straightforward for most consumers even though the accumulation of points and the minimum points for redemption differed. Some consumers experienced lost points, difficulties of merging, and long wait times for help. But as a benefit, the new program retained the best features of both programs, giving consumers an even better deal with weekly personalized offers, points earned, and points-redemption events.

Some features originated from Shoppers as it established itself as Canada's largest retailer loyalty program. For example, Shoppers personalized email messages with an opening rate 10% higher than non-personalized messages which yielded stronger purchase levels. This indicated that consumers accepted the exchange of providing their personal information stored in the database for customized offers and incentives, a key learning point that other loyalty programs learned later.

Later, Shoppers Drug Mart launched a digital version that allowed members to receive points and offers via mobile, email, or the web. A new app allowed users to load coupons and other offers directly to their smartphone. The offers remained targeted based on purchase history. Features of the program included the ability to scan a digital Optimum card directly from a mobile device to earn and redeem points, check balance, transfer points, browse flyers, create shopping lists, manage prescriptions, and locate stores.

QUESTION

1. Who would be most attracted to the features of the PC Optimum loyalty program?

CONSUMER ATTITUDES AND USAGE

Virtually all Canadians are enrolled in a loyalty program; on average, each is a member of about 13 programs but regularly use only seven of them. A number of attitudinal measures demonstrate the appeal of loyalty programs: 78% say loyalty programs make them more likely to continue doing business with the brand, 74% claim they are more likely to recommend a brand with a good loyalty program, and 65% indicate they modify their brand spending to maximize loyalty benefits.²⁹ The primary motivators for using loyalty programs include that people enjoy participating and that the program meets needs, makes the brand experience better, has appealing rewards, and is consistent with brand expectations.³⁰

Overall, about two-thirds are “very” or “somewhat” satisfied with their loyalty program. Functional satisfaction with loyalty programs is strongly associated with the following: appeal of rewards, ability to reach desired rewards/benefits in a timely manner, number of ways rewards/benefits can be earned, amount accumulated per \$1 spent, and the time to receive the rewards. However, marketers are faced with the issue of whether the program rewards behaviour that would have occurred anyway since consumers generally sign up for programs with brands that they are already emotionally attached to and have a purchase history with. For example, 30% would not be loyal to the brand if the loyalty program did not exist, and 45% believe that a loyalty program could be replaced with a competitor's program. Additional research suggests that hard benefits of financial rewards in terms of discounts, cash, or merchandise are critical; softer rewards with respect to privilege, access, and information are very important for fostering strong loyalty over time. Furthermore, consumers become attached to brands with loyalty programs for regular purchases and are more likely to use the brand once again for infrequent larger purchases.³¹

DIGITAL COMMUNICATION

Communicating with existing members and providing promotional offers is a value-enhancing approach to fostering increased use of the loyalty program and greater purchases. While loyalty programs still work with direct mail and email to administer and communicate with members, more are moving toward social media, mobile apps, and Internet site interactions to permit timely or customized offers. The improvements are designed to provide an experience that is similar to buying and consuming the brand.

The provincial organization for liquor sales in Quebec, SAQ, introduced its loyalty program, Inspire, with commentators wondering why a monopoly needed to operate such a marketing activity. Initially, the program operated like other loyalty programs—wallet card, phone app, agreement to terms, points system, offer for volume purchases—but afterward the program became customer oriented with digital communication. For example, the app tracked purchases and made suggestions that consumers might enjoy. It also noted their preferences and sent notifications for new or limited-run bottles. The program also produced a customized newsletter, including individualized promotions, for each customer based on their purchases and response to promotional offers.³²

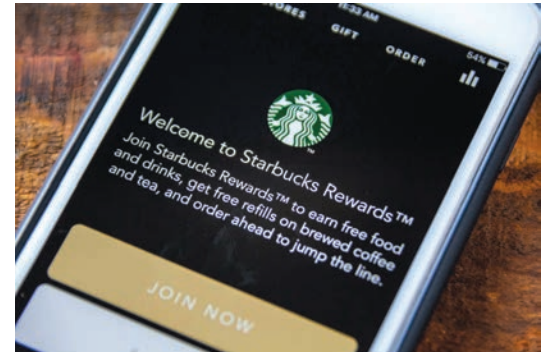
The Scene card allows its members to collect reward points by attending movies, buying goods at the concession stand, and ordering tickets in certain ways (e.g., online). Points are also gained when using products associated with Scotiabank (e.g., a Scene debit or credit card), and making purchases at grocery stores chains owned by Empire. Consumers also receive

discounts and special promotion offers and contests and can spend their rewards on free tickets or on restaurants, music, or magazines. Scene augmented its loyalty program by giving more points if members formed online groups and attended movies together. Scene also enhanced its loyalty program by test marketing a paid loyalty tier so that members could acquire points more quickly. For \$7 per month, members received points for being registered each month, concession line priority service, movie experience upgrades, discount point use on Wednesdays, and concession upgrades.³³

Starbucks Rewards gives “stars” to customers with their purchases and offers rewards along three collection levels. At the Welcome level, consumers get a drink for their birthday; at the Green level, consumers can get a free refill with five stars; and at the Gold level, consumers receive free food or drink once they hit 30 stars within a year and obtain status with a gold card. Managers attributed Starbucks’ sales growth and increased number of store visits to its rewards program and improved digital communication with its members (see **Exhibit 16-11**). In fact, its rewards program is linked directly with the mobile payment system from the customer’s smartphone, and this encouraged stronger mobile payment uptake well ahead of other retailers.³⁴

Finally, 7-Eleven’s app works with its loyalty program and has been augmented with the Pokémon franchise. It developed a special Pokémon promotion for the app with an AR feature to let users find Pokémon characters and gain free goods. Another feature is the ability to get special photo filters with images from the latest Pokémon movie. Posting selfies with the filters gains customers additional loyalty points.³⁵

EXHIBIT 16-11 The Starbucks Rewards program offers consumers useful features with its app.



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LO4 Evaluation of Direct Marketing

This section summarizes the strengths and limitations of direct marketing in a concluding section as done in previous chapters. Given that direct marketing employs different media, each with its own characteristics, these conclusions are generalizations in which variation can be expected. In addition, the evaluation criteria require adjustment depending on if the direct marketing targets customers or non-customers.

STRENGTHS OF DIRECT MARKETING

Direct marketing has strengths, including target audience selectivity, target audience coverage, frequency, creativity for cognitive and emotional responses, scheduling flexibility, and costs.

Target Audience Selectivity

Marketers can purchase lists of recent product purchasers (e.g., car buyers), and these lists may allow segmentation on the basis of geographic area, occupation, demographics, and job title. Combining this information with the geo-coding capabilities of PRIZM C2 (discussed in **Chapter 3**), marketers can develop effective segmentation strategies. In fact, a personalized or customized message can be sent in situations where the identity of the person is known. Car owners are mailed letters congratulating them on their new purchase and offering accessories. Computer purchasers are sent software solicitations. With the ability of direct marketing to personalize and customize messages through a relevant direct-response medium, it is suggested that fairly strong attention to and involvement with the message occurs in these situations.

Target Audience Coverage

Direct marketing lets the advertiser reach a high percentage of the selected target audience and reduces waste coverage. Since the database allows precise target audience profiles, the direct-response medium selected can achieve a strong level of hits. For example, while not everyone drives on highways where there are billboards or pays attention to TV commercials, virtually everyone receives mail. A good list allows for minimal waste, as only those consumers with the highest potential are targeted. For example, a political candidate can direct a message at a very select group of people (those living in a certain postal code, or members of McGill University Alumni or the Royal Vancouver Yacht Club).

Frequency

Depending on the medium used, it may be possible to build frequency levels. The program vehicles used for direct-response TV advertising are usually the most inexpensive available, so the marketer can afford to purchase repeat times. Frequency may not be so easily accomplished through the mail, since consumers may be annoyed to receive the same mail repeatedly.

Creativity for Cognitive and Emotional Responses

Direct marketing can take on a variety of creative forms. Direct-mail pieces allow for detailed copy that provides a great deal of information. The targeted mailing of DVDs containing product information has increased dramatically, as companies have found this to be a very effective way to provide potential buyers with product information.

Scheduling Flexibility

While some media require long-range planning and have long closing dates, direct-response advertising can be much more timely. Direct mail, for example, can be put together very quickly and distributed to the target population. TV programs typically used for direct-response advertising are older, less sought-after programs that are likely to appear on the station's list of available spots. Another common strategy is to purchase available time at the last possible moment to get the best price.

Costs

While the CPM for direct mail may be high, its ability to specifically target the audience and eliminate waste coverage reduces the actual CPM. Email costs are generally very affordable. The ads used on TV for infomercials are among the lowest-priced available. A second factor contributing to the cost-efficiency of direct-response advertising is the cost per customer purchasing. Because of the low cost of media, each sale generated is very inexpensive.

LIMITATIONS OF DIRECT MARKETING

As with all things, direct marketing has limitations to balance out its benefits. These include media image, control for selective exposure, and reach.

Media Image

Generally, people believe unsolicited mail promotes undesired products, and others dislike being solicited. Likewise, direct-response ads on TV are often low-budget ads for lower-priced products, which contributes to the image that somewhat inferior products are marketed in this way. Some of this image is being overcome by the home shopping channels, which promote very expensive products. Telemarketing is found to be irritating to consumers, as is spam email.

Control for Selective Exposure

While target audience selectivity attempts to address this factor, consumers exert tremendous control with respect to direct marketing. It is easy to simply toss a direct-mail piece into one's paper recycling bin. As seen in the discussion for television, consumers can readily zip or zap a direct message, and consumers usually have to actively seek and select an infomercial. In contrast to this point, those who are in fact interested in the offer are expected to devote considerable levels of time to processing the message, irrespective of the limitations of the direct-response media selected.

Reach

The selectivity of direct marketing and the cost associated with it suggest that achieving high levels of reach is neither feasible nor even a realistic characteristic of the purpose of this marketing approach. Similarly, the costs associated with complete geographic coverage are expected to be prohibitive in most direct-marketing programs.

LO5 IMC Planning: Strategic Use of Direct Marketing

Direct marketing is an important component of an organization's IMC program. In some cases it initiates an immediate response, and in other cases it builds the brand by moving the target audience through the decision-making process. In addition, direct-marketing activities support and are supported by other elements of the promotional mix.

DECISION-MAKING PROCESS

Direct-marketing programs typically persuade immediate consumer action. Thus, it is critical that the promotional manager plans for a specific action in order to select the most appropriate direct-response media. **Chapter 5** reviewed behavioural objectives applicable for IMC planning prescriptions within direct marketing. Trial and repeat purchasing objectives suggest that much of direct marketing involves influence at the purchase decision stage.

Trial objectives require a broader-based direct-response medium, much like what is seen in advertising media decisions. Typically, wide-ranging direct-mail pieces targeted by census track allow firms to reach as many potential consumers as possible. In this situation, the database relies on public sources, and a manager uses unaddressed drop-offs. For more targeted messages, brands rely on the list services and provide addressed mailings. Alternatively, with a database of existing customers, cross-selling of other products is now a trial purchase for the promotional planner's brand in a new product category. This trial purchase may be relatively new and be viewed as a purchase within the product category, thus requiring a direct-response medium providing considerable information.

Repeat purchasing objectives involve the timing, amount, and rate of consumer purchases. These different options suggest other criteria for evaluating the different direct-media options. For example, repeat purchasing objectives for specific timing might suggest telemarketing if the managers have current databases and permission to call upon the company's current customers. A favourite direct-response medium is bill inserts delivered monthly to enhance frequency and thus improve the amount and rate of purchase. And a natural update of this is digital marketing communication sent with bills accessed online. Thus, the opportunity for promotional planners to match the specific objectives with the right direct-response medium requires full consideration.

Shopping behaviour objectives frequently involve influencing consumers at earlier stages in their decision making. For example, direct-mail pieces are delivered to encourage need recognition and prompt the target audience to make a sales inquiry at the retail location or over the telephone, or to visit the Internet site for further understanding of the brand during the information search stage. Alternatively, telephone calls are made to follow up after the sales inquiry to ensure that the brand is seriously considered at the alternative evaluation stage.

DIRECT MARKETING AND IMC TOOLS

Direct marketing is a form of advertising. Whether through mail, print, or TV, the direct-response offer is an ad. It usually contains a contact number, a form that requests mailing information, or a link to an Internet site. Sometimes the ad supports the direct-selling effort. Direct-response ads or infomercials are also referred to in retail outlet displays.

Public relations activities often employ direct-response techniques. Private companies use telemarketing activities to solicit funds for charities, or co-sponsor charities that use these and other direct-response techniques to solicit funds. Likewise, corporations and/or organizations engaging in public relations activities may include contact numbers or Internet addresses in their ads or promotional materials.

Telemarketing and direct selling are two methods of personal selling. Non-profit organizations such as charities use telemarketing to solicit funds. For-profit companies also use telemarketing with greater frequency to screen and qualify prospects (which reduces selling costs) and to generate leads. Direct-mail pieces invite prospective customers to visit auto showrooms to test-drive new cars; the salesperson then assumes responsibility for the selling effort.

Direct mail and email notify consumers of sales promotions. For example, most retailers maintain a database of opt-in customers who receive weekly messages containing a promotional offer, as listed in **Figure 14-1** of **Chapter 14**. Alternatively, a sales promotion event supports the direct-marketing effort since databases are built from the names and addresses acquired from a promotion, permitting other direct-marketing follow-up.

Learning Objectives Summary

LO1

Define direct marketing and summarize the importance of a database for direct-marketing communication decisions.

Direct marketing includes a variety of methods and media that seek to obtain an immediate behavioural response from the target audience. Its success is predicated on a database that contains information for each customer or prospect in terms of demographic variables. More thorough databases contain additional variables on purchase history, socioeconomic characteristics, media exposure, and any other relevant segmentation variables the marketer believes to be necessary. Direct marketing is a valuable promotional program for targeting audiences and for managing CRM activities despite its intrusiveness toward consumers and the challenges and investment requirements of databases.

LO2

Express the decisions of a direct-marketing plan.

Direct marketing involves careful target audience profiling through the use of the database. Direct marketers can target lapsed customers in an attempt to generate re-trial. Alternatively, they can target current customers and try to encourage repeat purchasing of the brand, but with additional products (i.e., cross-selling). Databases garnered through other means can be compiled to develop stronger trial among non-category users or non-brand users. Thus, a critical part of the direct-marketing plan is profiling the target audience and selecting the corresponding objective, since this guides the promotional offer and the selection of the most appropriate direct-response media.

Direct marketing is executed with a variety of direct-response media including direct mail, catalogues, broadcast, telemarketing, and new digital applications. We summarized the former ones in this chapter and examine the latter in the next chapter. These media are used in a specific manner to encourage consumers to take action in terms of a purchase or getting involved with another medium or another IMC program.

LO3

Describe the content of a loyalty program.

An important part of a direct-marketing plan is a loyalty program designed to maintain continued repeat purchasing from consumers who enroll and become members. Most of these consumers are behaviourally and attitudinally loyal; however, others join to collect points to earn rewards and might readily switch to an alternative provider if they did not have so much invested in the program. Despite this limitation, consumers are quite satisfied with these programs and Canada has one of the highest participation rates in the world.

LO4

Evaluate the strengths and limitations of direct marketing.

Advantages of direct marketing include target audience selectivity that permits personalization in direct-response media like direct mail leading to stronger attention and involvement, target audience coverage, frequency, creativity for cognitive and emotional responses, scheduling flexibility, and affordable absolute cost and efficiency. At the same time, a number of disadvantages are associated with the use of direct marketing, including media image, control for selective exposure, and reach implying limited geographic scope for some direct-response media.

LO5

Apply the ideas of direct marketing within the development of an IMC plan.

Direct marketing is one activity in marketing where activities are clearly demarcated with respect to targeting potential customers with a message to ensure a trial purchase or targeting existing customers to continue purchasing. The source of information for sending the message and offer is a database of leads or current customers, so the most appropriate approach is possible, unlike with other forms of marketing communication. Direct marketing acts as the delivery mechanism for other IMC programs like sales promotion. As seen in some of the loyalty programs, promotional offers to members can enhance their experience. Similarly, public relations activities can be tied with direct marketing for stronger communication effect or cost efficiencies.

Review Questions

1. Explain how companies use database marketing. How is the information derived from the database used to target audiences?
2. What is the difference between the one- and two-step approaches to direct marketing? Give examples of companies that pursue both methods.
3. Why are loyalty programs considered to be direct-marketing programs rather than sales promotions?
4. One of the disadvantages associated with direct-marketing media is the high cost per exposure. Some marketers feel that this cost is not really as much of a disadvantage as is claimed. Argue for or against this position.
5. How does direct marketing influence each stage of the consumer decision-making process as it works with other IMC tools?

Applied Questions

1. Construct a list of variables that a fashion brand might desire in its database to market to students in college or university.
2. Collect any direct mail delivered to your household and evaluate whether it is effective.
3. Read up online about an interesting loyalty program and apply **Figure 16-4** to identify the characteristics and give an assessment of the program's value.
4. How might a smart phone service improve its marketing communication with the use of direct marketing?
5. Provide examples for both consumer goods and services of how companies might use direct marketing as part of an IMC program.

CHAPTER SEVENTEEN

Internet Media



Sunwing Vacations Inc.

LEARNING OBJECTIVES

- LO1** Describe Internet media usage and explain website communication.
- LO2** Review Internet media advertising.
- LO3** Identify the advertising formats of Internet media.
- LO4** Explore mobile advertising.
- LO5** Define measures of Internet media effectiveness.
- LO6** Apply the ideas of Internet media within an IMC program.

Digital Display versus Digital Video^A

Digital display and digital video are common ad formats found online for big brands in all product categories. These online ways of communicating are part of a complete media plan, individual IMC programs, and a total IMC plan. The following examples describe media plans and their messages, which include these formats to show how they are integrated. Brands decide whether to use one format or the other or both in all three types of decisions.

For digital display ads, two interesting examples are important to learn from. Grocery conglomerate Empire purchased a stake in the Scene loyalty program and rolled out communication across geographic regions for consumers to use the program while shopping at its various banners like Sobeys, IGA, FreshCo, and Safeway. The media plan included TV, cinema, out-of-home, radio, online, social, email, and digital display. A complete 360-degree campaign that advertisers love to claim! Pizza Pizza's "Everyone Deserves a Pizza" campaign created 60 ad messages using a "pizza pie chart" executional style across digital display, out-of-home, and TV to show how its pizza is cut to the right proportion for different groups of consumers.

Three brands representing different aspects of the travel and tourism industry adopted digital video to sway consumers. Sunwing's "More More More" campaign featuring a hit disco song from the 1970s with the same name conveyed what a vacation feels like instead of what it looks like. Digital video along with radio, out-of-home, and cinema worked well with the brand's TikTok contest where contestants shared their best dance moves to win

a Cancun vacation. Four Seasons' "Luxury Is Our Love Language" campaign communicated the essence of the experience when staying with the luxury brand. The digital video showed a variety of vignettes as did digital out-of-home. The city of Montreal created an "Island Getaway" campaign to signify that the city is contained on an island with many exciting activities. The campaign was intended to convince tourists from Ontario to experience a very close exotic island. Wild postings in Toronto supported the online digital video placement.

A couple of brands used both digital display and digital video in their campaigns. Harry Rosen launched a new private line of clothing with expanded fabric options and customer offerings to unaware audiences featuring spokespersons Toronto Raptor Fred VanVleet and celebrity chef Matty Matheson. The two represented different body shapes and personalities to reflect the broad fit of the ready-to-wear fashion pieces. Both digital display and digital video ads worked well with TV, out-of-home, and in-store window vinyl ads. Good Life's "Get You Back" campaign recaptured lapsed gym users with a message focused on safety, knowledgeable staff, and equipment. Images communicated its staff assisting people with their varied workout routines. Both digital display and digital video ads worked well with radio, out-of-home, social, search, and in-store TV network.

Question

1. What communications objectives are achieved with a digital display and digital video in these examples?

The chapter opener features examples of representative brands and product categories to illustrate that Internet media is part of virtually any large-scale IMC or digital advertising campaign. This chapter reviews Internet media from a communication perspective that contributes to communication objectives and begins the direct marketing process as well. First, the chapter describes Internet media usage and explains website communication. It then examines the content of a digital advertising plan. Third, the chapter identifies the advertising formats that promotional planners place in virtually any location within Internet media. Next, it summarizes aspects of mobile communication with ad revenue devoted to this media channel increasing. Finally, the chapter identifies the options for measuring Internet media communication effectiveness. The IMC planning section summarizes the strategic use of Internet media.

LO1 Internet Media Communication

The **Internet** and the **World Wide Web (WWW)** allow marketers and consumers to conduct transactions for goods and services; however, the focus here is to view digital as media for communication and facilitation of the promotional program. In the academic literature, many digital marketing domains are investigated beyond advertising.¹ This book's concern is Internet advertising publications that examine the effectiveness of Internet media advertising, interactivity, how advertising works, attitude to Internet media ads (including websites), and finally comparisons to other media.² As this suggests, the Internet connects consumers—both current customers and potential customers—and marketers seeking or greeting both types of consumers

through advertising and other IMC programs. This section describes Canadian Internet media usage and explains the primary purpose of website marketing communication to introduce the topic.

INTERNET USAGE

Internet use by Canadians is a common everyday behaviour. Past monthly usage is 94% for the entire population and 99% for households with incomes over \$75,000. Usage proved very consistent provincially, by city/town size, and in each major Canadian city.³ Internet media attained the status of a regular day-to-day media for Canadians, leading to advertisers spending \$12 billion in advertising for 2021. **Figure 17-1** shows that Canadians increased their Internet media usage per week from 24 hours to 33 hours recently, which varied considerably by age, as shown by MTM's data.

Figure 17-1 Average number of hours/week of Internet use, 2022 national, 18+

	2018	2019	2021	2022
18–34	33.2	37.0	45.0	44.1
35–49	26.6	31.0	40.0	35.7
50–64	19.2	23.2	30.4	26.7
65+	13.0	15.7	19.1	18.9
Total	24.3	28.0	35.4	32.6

Source: Media Technology Monitor (MTM)

Figure 17-2 shows the varying entertainment activities Canadians enjoyed with Internet media according to MTM data. Clearly, the extensive activities Canadians experience on the Internet allow advertisers opportunities to reach specific customer groups, lifestyles, or virtually any marketing segmentation variable.

Figure 17-2 Past month entertainment activity (%), 2022, national, 18+

Watch Internet TV	80%	Read online news	76%
Watch 30/60-minute TV program	72%	Access sports content	34%
Watch full-length movie	62%	Streaming audio	78%
Watch any YouTube video	73%	Listen to AM/FM radio	26%
Watch online news	54%	Listen to music streaming service	48%

Source: Media Technology Monitor (MTM)

EXHIBIT 17-1 Procter & Gamble is one of the largest advertisers in Canada using Internet media.



Roberto Machado Noa/LightRocket via Getty Images

The development of user-generated content—such as product reviews, forum or journal posts, blogs, websites, wikis, audio files, video files, and podcasts—contributes to an enormous amount of word-of-mouth communication. One study documented how certain types of psychographic groups relied on these different Internet media sources of information when making purchase decisions.⁴ Thus, Internet media presents advertising opportunities with mass exposure potential like TV, selective reach like magazines, and interactive capabilities unique to Internet media. At present, Procter & Gamble, maker of Crest toothpaste (**Exhibit 17-1**), is one of Canada's leading Internet media advertisers. In fact, how advertisers allocate the \$12 billion in expenditures across the many Internet media vehicles is important media decision, much like in past decades with other media.

WEBSITE COMMUNICATION

Website communication is important to summarize since digital marketing communication directs users to different types of **websites**. One type of website provides factual information to consumers about a company and its products. To attract visitors to the site—and to have them return—requires a combination of creativity, updated information, and the use of digital and other media to direct consumers. A second type of website provides an immersive experience with creative video, striking images,

interesting audio, and graphic design; brands create unique messages and digital experiences unlike any previous advertising media. A third type of website facilitates communication and interaction among consumers using the capability of two-way communication features. And, some websites combine two or three of these approaches into one.

In general, the above points imply that the creativity of a brand's website enhances both cognitive and emotional responses much like or even more than the experience with broadcast and print media. In addition, a website is designed to serve the interests of its user and provides strong target audience selectivity. However, the interactive characteristic means consumers retain instant and complete control, which is a limitation advertisers need to overcome for this and all aspects of Internet media. From a communication standpoint, websites typically achieve four broad communication objectives—they develop awareness, disseminate information, build a brand image, and facilitate interaction. These latter three are attitudinal in nature and are consistent with earlier chapters.

Develop Awareness

Communicating on a website enhances or creates awareness of an organization as well as its specific product and service offerings. Websites for established products offer additional interactive exposure of the brand in terms of its key messages and typical signature (e.g., logo, slogan, colours). The website for Red Bull creates a fun experience for consumers to enjoy the brand and keep awareness strong. Its brand image is reinforced on its site much like at public events (**Exhibit 17-2**). For small companies with limited budgets, a website is an opportunity to create awareness beyond what might be achieved through other media. Internet media may not be optimal for awareness in these situations due to its limited reach without other communication to direct consumers to the website; however, these consumers are typically in the information search stage of their decision making and are good prospects for ensuring they do not forget about the brand when making a final decision, or for when they want to buy on their next purchase occasion. To build awareness of its new brands of whiskey, Wiser's created Hold It High, a page on its website where consumers can post a tribute toast to one of their friends. The brand has posted the tributes in outdoor, transit, and radio ads for additional exposure.⁵

Disseminate Information

A primary communication objective for a website is to provide product information. With increased health interest, Canadians rely on food company websites for more in-depth facts than might be received in other media or at the point of sale. For example, Kraft Canada's website presents ingredient and nutritional information for its salad dressing (**Exhibit 17-3**). In most markets, a website is a necessity since buyers, both consumer and business-to-business, expect that a company has a site providing them with detailed information about its offerings and where to buy. In fact, considerable current market research indicates that most Canadians "window shop" or browse the Internet for product information in general, and similar numbers arise for specific activities like getting medical and travel information and banking online. In the public sector, all levels of government use Internet media to provide citizens with a wide range of information about its services.

EXHIBIT 17-2 Red Bull offers many reasons to visit its website.



©arindambanerjee/Shutterstock

EXHIBIT 17-3 Kraft provides ingredient and nutrition information on its website.



Roberto Machado Noa/LightRocket via Getty Images

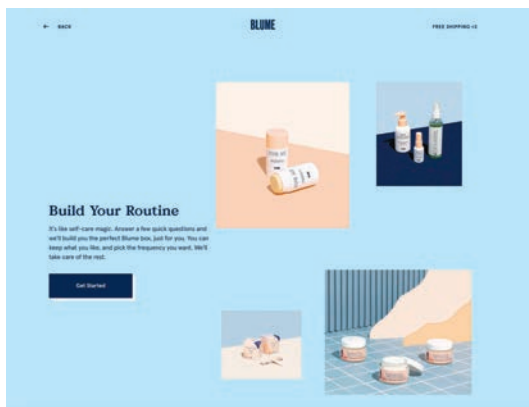
Build a Brand Image

EXHIBIT 17-4 The Newfoundland Distillery Co. builds its brand on its website effectively.



The Newfoundland Distillery Co

EXHIBIT 17-5 Blume offers ways for potential customers to interact with the brand online.



Blume

Websites are designed to reflect the image a company intends to portray. Initially, marketers experienced difficulty creating a brand image with Internet media. While some companies achieved success, others fared less well and realized that branding and image-creating strategies required specific adaptations in this medium. The website for The Newfoundland Distillery Co. communicates its brand image with colourful images of its products and the cocktails one can make with its fine products. The lighthearted image communicated in **Exhibit 17-4** is reflected superbly on its website as well. Websites also provide a transformational experience, with video, animation, and social media-like features to make the brand experience truly unique and interactive beyond what consumers experience with other media.

A study by the marketing research firm Millward Brown published in the *Journal of Advertising Research* concludes that Internet media is capable of building a brand like other established advertising media, although certain caveats seen elsewhere remain. For example, ensuring that the right message is communicated within the appropriate media vehicle is critical, a key conclusion of more established media.⁶ Since then, it is clear that Internet sites are a critical component of any brand's ability to project its image to customers, non-customers, and any other stakeholders. A few other great Canadian examples include MAC Cosmetics, Lululemon, Canada Goose, NRML, and Harry Rosen—check them out!

Facilitate Interaction

Because Internet media is interactive, it provides strong potential for increased customer involvement and almost immediate feedback. Companies set up websites to interact with an audience on a regular basis, and may use a membership component to obtain personal information with permission and communicate afterward (e.g., email). For example, Blume sells its personal care products online with an exciting and interactive website (**Exhibit 17-5**). From another perspective, Mazda and its agency JWT created a smartphone app that viewers used in a Cineplex movie theatre to simulate a car test drive. The app synchronized with the big screen video and users tried to match the driving, while the app measured their success. The app ended with an invitation for a real test drive and 9,000 signed up, a 5% hit rate. A similar event occurred a year earlier for the Mazda3 that simulated a race car game where participants and winners received concession products or movie tickets. The competition app garnered 6,000 test drive requests.⁷

WEBSITE STRATEGY

Some websites are designed for informational purposes only, while others approach the market with a transformational purpose—providing valuable resources for important life experiences. The website for the Dove brand (**Exhibit 17-6**) is an example having multiple capabilities with an extensive array of text, video, graphics, and photos. Started decades ago as a beauty cream bar differentiated from soap, the brand is

placed on other products for women (body wash, hair care, deodorant), similar products for men, and a few for babies. Its main menu offers six selections: Explore Solutions, Products, Baby Dove, Men+Care, Dove Esteem Project, and Dove Stories. Within each menu item, numerous interactive features give product information or communicate details about the experiences of Dove consumers. As this example demonstrates, a website effectively achieves any or all communication objectives, and in fact also achieves different types of behavioural objectives (identified in **Chapter 5**) for multiple audiences at varying stages of the decision-making process (identified in **Chapter 3**).

A consumer interacting with a website raises the question of what is meant by *interactivity*. **Interactivity** is the extent to which an actor involved in a communication episode perceives the communication to be reciprocal, responsive, speedy, and characterized by the use of nonverbal information.⁸ Applying this idea, a website is *reciprocal* when it offers multiple opportunities for the consumer to act, such as with links, buttons, or connections to other utilities like social media. It is *responsive* if every action produces a relevant and appropriate outcome. Quick response suggests that the website is *speedy*. It is *characterized by the use of nonverbal information* if it makes extensive use of pictures, sounds, and animation. Notably absent from this definition is the notion of control, since it is a media usage characteristic of both interactive media and non-interactive media as described in **Chapter 10**. Empirical findings supported this definition of interactivity, which was also found to be a strong predictor of attitude to the website and media involvement. Furthermore, preliminary research indicated that more interactive websites generated deeper information processing and message believability, leading to stronger attitudes toward the brand and website.⁹

This attitudinal communication effect is another source of findings where researchers investigate what design factors lead to a consumer's positive attitude toward the website.¹⁰ Further research demonstrated greater applicability of this approach by confirming reliable and valid measures for attitude toward websites.¹¹ Additionally, research investigated the impact of attitude to the website on brand attitude or company attitude.¹² This effect has been investigated for both high/low involvement and informational/transformational brand attitudes, previously discussed in **Chapter 8**.¹³ Research also examined the attitudinal effects on purchase intentions.¹⁴ Building on this and consistent with earlier ad research, a paper with two studies investigated design factors for specific cognitive and affective responses to the website, and attitude to the website along with a greater number of behavioural outcomes.¹⁵

Figure 17-3 summarizes these ideas, which are similar to the models described in **Chapter 4**. As this model implies, several advertising principles established in other media are investigated with Internet media. In the future, academics and managers will learn whether their application is consistent or shows variation. Finally, consumers develop an affinity for or are very loyal to their favourite Internet sites for their information or entertainment needs. More loyal users tend to spend more time at these sites and exhibit more positive attitudes toward the sites' relevance, content, and features. This is consistent with other media, where people have their favourite TV show or radio station.

But how do brands motivate consumers to visit their website? Brands use Internet media advertising, and its growth spawned recognition in the form of Webby Awards. Liberté Blueberry Greek Yogurt used a tablet-based mobile ad, located on the lower part of the page, where users played a game trying to put the blueberries on the banner ad back into the container by tipping and turning the device. Locating the ad at the bottom of the page reinforced the attribute of the berries at the bottom of the container and reinforced the brand's natural positioning.¹⁶ Sodastream is a brand that used multiple media, especially television, along with digital media to communicate its bubbly benefits (**Exhibit 17-7**).

EXHIBIT 17-6 Dove uses many transformational features on its website.



monticello/Shutterstock

EXHIBIT 17-7 Sodastream uses Internet media as part of its advertising plan.



SodaStream Canada

FIGURE 17-3 Model of website advertising effects

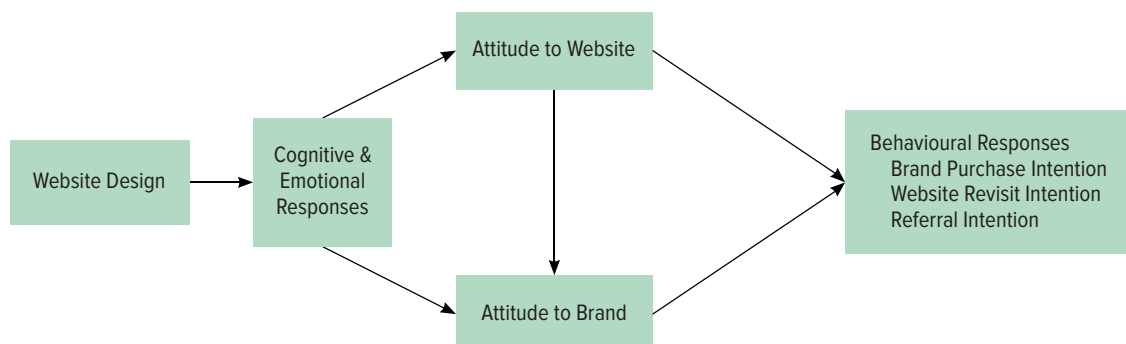


EXHIBIT 17-8 Sephora provides a consistent image across all social media vehicles.



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In addition to Internet media advertising, brands rely on social media for communication and also encourage consumers to visit their social media pages, two topics examined in the next chapter. For example, Sephora (**Exhibit 17-8**) lists seven different social media sites on its website for visitors to consider checking out. Practitioners refer to each of these IMC programs as “owned” media (e.g., website), “paid” media (e.g., display ad), and “earned” media (e.g., user-generated content). While this handy vocabulary works well to a degree, it does limit the innovativeness and creativity of a plan.

Finally, Canadian consumers indicated discomfort with Internet media in a past survey by Ad Standards. A poor media image is due to annoying display and video ads, deception, targeting children with subtle advertising messages, data collection without consumers’ permission, and crime. More recent research indicates improvement, but a discrepancy remained. Data from 2022 indicate that 62% of respondents encountered inaccurate or misleading ads with Internet media compared with 36% for TV, the next most viewed media.¹⁷ Like direct marketing, Internet marketers must respect users’ privacy, and IAB issued guidelines to alleviate

this concern. In contrast to these Internet media issues, consumers enjoy the abundance of social media experiences and find shopping with Internet media useful for planning all sorts of purchases. In this respect, it is viewed favourably, indicating a paradox: Internet media simultaneously exhibits both a strong and a poor media image.

LO2 Digital Advertising Plan

Promotional planners select Internet media for paid advertising messages much like broadcast, print, and out-of-home media. There is a degree of similarity since the delivery of content on an Internet site is supported by fees charged to brands who target the audience of the Internet site. But placing ad messages within Internet media presents a degree of uniqueness due to its interactive characteristic. This section reviews how promotional planners use Internet media for advertising purposes.

OVERVIEW

The Interactive Advertising Bureau (IAB) of Canada estimated that Internet advertising revenue hit \$12 billion in 2021 (**Figure 17-4**). This is approximately four times higher than the \$3 billion spent on television for 2021. The amount of money spent on Internet advertising nearly tripled during the past six years. Additional proof of the growth of digital advertising is that the federal government spent over 50% of its \$45 million ad budget on Internet media.¹⁸

Figure 17-4 Canadian Internet advertising revenue (\$ million)

Format	2015	2017	2019	2021
Search	2,512	3,364	4,172	5,696
Display	1,572	2,322	1,870	1,665
Video	358	928	2,568	1,216
Classified	162	145	150	270
Social Media				3,220
Audio				152
OOH				104
Total	4,604	6,771	8,760	12,323

Source: IAB Canada, Canadian Internet Advertising Revenue Survey, 2015, 2017, 2019, 2021

Expenditures by advertising format is also shown in **Figure 17-4**. Search, at nearly \$6 billion, accounts for about half of the expenditures, supporting the point that consumers rely on Internet media for planning their purchases and actually shopping. The method of estimating advertising revenue by ad format has evolved significantly over the past three decades. A recent change is grouping ad revenue occurring in social media compared to Internet media. The implication is that additional ad

revenue for both display (e.g., non-video) and video ad messages is accounted for in the social media total. Thus, these two categories sum to approximately \$6 billion. New Internet media with audio and out-of-home applications were identified as new categories of ad revenue for 2021.

As is done previously, the planning approach of this book is applied in this chapter. **Figure 1-7** shown in **Chapter 1** indicated that a promotional manager follows a planning approach for Internet media to implement a digital advertising program and/or implement other IMC programs reviewed in the past few chapters. A brand's digital advertising plan features objectives, strategies, and tactical decisions when delivering messages to its target audience who may be at any point in their decision-making process (refer back to **Figure 3-1**). In addition, **Figure 3-6** identified segmentation variables within five dimensions (geographic, demographic, socioeconomic, psychographic, and behavioural) as a basis for profiling a target audience. **Chapter 3** also highlighted customer and non-customer groups based on brand loyalty as an important variable for planners to consider initially.

Danone is an example of how all IMC programs work together with a digital ad plan. The brand launched a no-sugar-added version to its yogurt product line with new flavours. While still a less sweet taste sensation, the natural fruit purée provided a hint of sweetness for all to enjoy. The lighthearted TV ad set in an everyday household (complete with a pet dog) associated the yogurt innovation with other famous achievements (such as landing on the moon). All in the family are in awe as they read the newspaper headline about Danone's new yogurt! The ad targets a younger generation, who are presumably looking for healthier offerings, with digital and out-of-home media with visuals of fruit exploding from the single-serve package. In this case, display ads supported the campaign with reminder messages to go along with the social media exposure, exciting activations, and public relations.¹⁹

TARGET AUDIENCE AND OBJECTIVES

Promotional planners adapt all relevant segmentation variables when applying the above principles for placing advertising messages in Internet media. Data availability of the segmentation variables guides the precision, and this accuracy is aligned with other media to a greater extent compared to 10 or 20 years ago. For example, Environics expanded its PRIZM data to online advertising planners. Now the profile of a brand's target audience is defined more consistently to reach a similar audience across digital media along with broadcast, print, out-of-home, and direct mail.²⁰

In addition, the interactive characteristic of the Internet provides opportunity for an additional segmentation variable.²¹ **Behavioural targeting** lets advertisers target consumers according to their Internet viewing history. By compiling **click-stream** data and Internet protocol information or **IP address**, advertisers identify segments of potential buyers and direct ads to them. For example, a vehicle brand like Honda or a Honda dealership serves ads to an individual who visited any other automotive brand's website or its own website. Note that behavioural targeting is not completely consistent with behavioural segmentation variables identified in **Figure 3-6**, which highlighted brand loyalty, user status, usage rate, situation, and benefits sought. Presumably, behavioural targeting is a reasonable proxy for benefits sought based on the brands and models searched. Nonetheless, the data from this interactive characteristic provide an additional segmentation variable for a promotional planner developing a digital advertising plan.

In response to concerns about behavioural targeting, other forms of targeting, and advertising fairness, the Digital Advertising Alliance of Canada instituted the AdChoices program in conjunction with similar organizations worldwide. This organization is a self-regulatory body of major advertisers, media companies, and industry organizations (e.g., IAB Canada, Ad Standards). The AdChoices program was implemented such that when consumers see and click the blue triangle icon on ads, they can read information on why the ad is placed on the website they are visiting, choose to opt out of receiving ads from the company listed (generally an ad server), and obtain information about the ad server's privacy policy. After a major privacy incident, IAB Canada released a reminder to its members to participate in the program. Other marketing organizations like the Association of Canadian Advertisers and the Canadian Marketing Association worked with privacy advocates as part of the establishment of the Digital Advertising Alliance of Canada.

EXHIBIT 17-9 Kicking Horse coffee features consistent images to achieve its communication objectives in its digital ad campaign.



Kicking Horse Coffee

The approaches for setting behavioural and communication objectives presented in **Chapter 5** are suitable for digital advertising and its intended target audience. Internet media's interactive characteristics require potential adaptation. For example, specific shopping and consumption objectives may be required before directing consumers to a brand's website or social

media presence. On the other hand, the primary communication objective of a digital advertising message may be to enhance brand awareness and brand attitude, just like ads in any other media. Thus, a high proportion of paid digital ads are classified as either messages for developing or maintaining brand communication effects, or messages to influence shopping for online or physical store purchases. And for online purchases, paid digital ads are the first step in the two-step approach of direct marketing identified in **Chapter 16**. And increasingly, research and technology is linking display ad exposure to sales in physical stores, indicating a stronger direction of digital advertising working within a direct marketing strategy.²² The ads in **Exhibit 17-9** show how a digital ad campaign with multiple executions resembles non-digital ad campaigns to achieve communication objectives.

DIGITAL MEDIA STRATEGY

Media strategy and tactics decisions identified in **Figure 10-2** occur within a digital advertising plan. Selecting Internet media is a decision within the broader media mix decision, and promotional planners determine the other four decisions of target audience coverage, geographic coverage, scheduling, and reach and frequency within Internet media. Target audience coverage in Internet media is consistent with other media. For example, a brand with a target audience who loves music considers music-related websites for placing ad messages. Geographically, advertisers adjust their brand messages depending upon where the user is located. For example, different versions of ads for a travel website (e.g., Travel Alberta) emerge depending upon where the information seeker is living. And the technological system behind Internet media allows a person living in a city like Ottawa to receive local ads even if they are looking at an American website.

Scheduling decisions occur as well. Ads are scheduled by the time of day, day, week, and month, as seen with TV and radio ad placement. Television viewership composition and frequency vary across the day (e.g., early morning, daytime, prime time). Similarly, radio's audience size and composition varies considerably, especially considering commuters driving to and from work. Internet media advertisers are interested in **time of day scheduling**, much like day parts in broadcast media. Internet media follows a similar pattern, with groups of working people accessing Internet media during the day for business purposes, primarily in the morning. Usage declines during the afternoon and at dinner time and then peaks once again during the evening for leisure purposes.

Finally, reach and frequency decisions occur in Internet media, and they are both easier and more difficult to execute. Traffic counts of website visits make it reasonably easy to know how many people are exposed to an ad message at any point in time. To achieve a reach objective, an advertiser places a message on a sufficient number of websites to achieve its goal. The IP address provides information for when a unique individual visits, thus indicating potential frequency. However, depending on the type of advertising, reach and frequency estimates may prove much trickier in practice.

A QSR and retailer provide a couple of examples to see a digital ad plan work with other aspects of the IMC program. Quesada Burritos wanted to communicate that its Beyond Meat Burrito is 100% delicious and not just for vegetarians, as it targeted “flexitarians” looking to add more plant-based options to their diet. The campaign featured owned content in social media, paid search, and in-store ads. It also included Internet media display ads to ensure wider exposure in numerous media vehicles to reach a vast number of new customers.²³ Leon's intended to position the 110-year-old retailer as a stylish alternative for older millennials who now had competitors to consider such as West Elm, Urban Barn, and EQ3. Its TV ad portrayed a couple showing their new furniture purchases to friends while claiming “Our designer selected the pieces from a boutique called Leon's” in a heavy faux-French accent. The “Surprisingly Stylish” campaign featured owned content in social media, in-store ads, and Internet media display ads to ensure Leon's became part of the target audience's evoked set.²⁴

DIGITAL MEDIA TACTICS

The advertising formats are placed on virtually any Internet site to target a brand's audience. Promotional planners decide how to structure this decision even though targeting on different Internet media types is similar to targeting in other media types. **Figure 17-5** applies the media terminology of **Chapter 10** and compares broadcast and Internet. The Internet is a medium much like broadcast (i.e., TV and radio) is a medium. Since there are two types of broadcast, it is plausible to group Internet media along the same lines. Pre-existing Internet sites that consisted of content publishers and entertainment venues (i.e., early non-social media that continue to exist) provide opportunity for the placement of ads. Social media accepts ads as well; however, the membership characteristics, ability for interaction, and facility for contributing user-generated content provide a new way of planning brand messaging. Note that this distinction is consistent with the IAB's new approach for reporting advertising revenue as described previously.

Figure 17-5 Illustration of digital media vehicles

Medium	Internet	Internet	Broadcast	Broadcast
Media type	Content publisher	Social media	Television	Radio
Media class	News and information	Social networking	Sports	Alternative rock
Media vehicle	Yahoo	Facebook	TSN (Raptors)	Live 88.5 (Ottawa)

This distinction implies that ads are placed in a specific media class within social media and a specific media class within content publishers. For example, a social networking Internet site is a media class within social media. Carrying on, Facebook and LinkedIn are avenues for placing an ad and are a media vehicle, much like placing an ad on TSN's broadcast of the Raptors game or on a particular kind and name of radio station. For Internet content publishers, Yahoo is a media vehicle within the media class of news and information. However, the targeting capabilities are much different even though the idea of a media vehicle is similar. An advertiser's decision is very precise on a number of segmentation variables to direct an ad in these social media environments for a particular time frame. In contrast, the TV advertiser reaches an expected group of basketball fans during the game, with certain characteristics based on audience profile data.

This perspective conveys the pervasiveness of social media for placing a message via a display ad or within the social media itself offer many vehicles to select from. This is much like what occurs in other aspects of Internet media, like established content publishers such as Yahoo and content publishers from existing print media like *Maclean's* or *The National Post*, and content streamers like CTV. Furthermore, it is an extension of the idea of media vehicles in existing broadcast and print media.

As such, a media vehicle is critical for targeting in any medium, and this is true for any aspect of Internet media since media vehicles assist promotional planners in directing their message to their target audience. Targeting is fundamental to many applications for directing display ads through an ad network or ad exchange to any other Internet site or through a social networking site like Facebook. Advertising on a particular Internet site based on its content is known as **contextual targeting**, and this concept is essentially an extension of the concept of a media vehicle. For example, an advertiser places an airline ad on a travel site, or a golf club ad on a golf site, or even in or near a story about golf on another site. This is much like putting an ad for tools on HGTV during a Mike Holmes renovation show.

In future, ecommerce sites like Amazon are poised as a leading media vehicle for messages. Advertisers would pay for favourable ad placement and size and to appear during consumers' searches. Companies like Procter & Gamble see this as a "digital shelf" much like the shelf space in physical retail stores in which they pay fees for preferred exposure. Advertisers may see this as a viable alternative to paid search expenditures since it is more direct while consumers are actively shopping.²⁵

Milk West is a good example to see the application of the above points. The brand faced the problem of declining consumption among teens, who often turned to pop or energy drinks. A new positioning encouraged teens to drink milk with their favourite snacks, since the snacks tasted better with milk versus other drinks. The creative involved a series of 30-second animated stories shown on YouTube of Carlton the milk carton and his entourage of snack friends such as Chip, a chocolate chip cookie. The digital media plan called for promoted YouTube video and YouTube Reserved skippable pre-roll, among other paid digital methods, to gain exposure. After a couple of years, the campaign had released over 50 videos worth 11 million episode views and had a YouTube following of 25,000 subscribers. The campaign won at 18 regional, national, and international awards shows. Tracking research showed increased consumption, stronger attitudes ("milk is a fun drink" increased 9%), and 30% stronger purchase intent. Other measures for emotions, occasions, positioning, and personality showed a 6.5% improvement.²⁶

The Milk West example illustrates how the digital advertising plan began with paid ad exposure to get the ball rolling in social media. Such a strategy is a reasonable one for brands to consider in the digital plans, and this example nicely ties into the content of this chapter and the subsequent chapter on social media. **IMC Perspective 17-1** illustrates additional examples of innovative digital advertising plans.

IMC PERSPECTIVE 17-1

DIGITAL MEDIA WINNERS^B

Digital advertising plans continue to innovate with solutions for marketing communication issues brands experience in the marketplace. The following examples highlight unique success from Sport Chek, Wilson, and Can-Am.

In-store Black Friday shopping events present all sorts of problems for consumers like lines, crowds, parking, and limited inventory. Online shopping presents technical issues, shipping and return problems, and limited inventory. And frustrated online shoppers are vocal about it by documenting their displeasure in social media and other locations. Research tools designed to pick up on the commentary are useful for brands like Sport Chek who monitor the information and respond instantly with new ads. Sport Chek immediately created banner ads for products entered in their website's search function or in Google search. Upon learning of technical and service issues with competitor sites, Sport Chek quickly made banner ads inviting customer to shop. Sport Chek received 229 million impressions from 466 unique creative message resulting in significant gains in visits, product views, and purchases.



Felix Choo / Alamy Stock Photo

Wilson is a top insect repellent brand that wanted to anticipate when consumers would seek its product information online during bug infestations. Research indicated when a prevalence of bugs would occur because of weather changes and where an intensity would arise most likely by postal code. The digital ad plan directed banner ads to consumers within The Weather Network areas fitting both criteria. Wilson customized the messages and delivered them when the need most significantly happened. The click-through rate doubled the standard rate for The Weather Network, with some creative examples hitting a five-fold increase!

Can-Am ATV sales got sidelined when its dealership network had to close for a while, so the brand needed a digital plan to spur online sales for parts and accessories, even though consumers usually went to the dealer for their purchases. The campaign got rolling with YouTube videos of professionals driving and a call to action to dial a number to hear an ATV's roaring engine and to record one's own engine. More than 7,000 riders responded! Follow-up DIY videos helped riders get their vehicle ready for the spring. Viewers received additional promotional communications with video, social, and search ads. Overall exposure increased, with double the website visits and a 300% increase in sales.

QUESTION

1. Which example of digital advertising is the most innovative and insightful?

LO3 Digital Ad Formats

This section describes the ad formats identified earlier, such as display ads that advertisers place on content publishers' websites and in social media, paid search advertising, paid video ads located on content publishers' websites, owned ads in social media, and finally classified, directory, and promotional ad formats.

DISPLAY ADS

The use of display ads originated in print media and so Internet media adaptation is expected. **Display ads** are placed on virtually any Internet site, including social media Internet sites, and within email messages. The wide range of Internet sites in terms of type and domain indicates the potential for target audience selectivity. For example, brands design messages to appeal to the needs and wants of the audience of an entertainment content publisher.

Overview

Figure 17-6 shows industries that advertised on the Internet in 2021 by ad revenue, with consumer goods, automotive, and financial services leading the way with a total of 58%. These advertisers build reach with frequent scheduling of display ads on particular Internet sites and establish coverage with selective use of geographic exposure,

Figure 17-6 Advertising by industry, 2021

Industry	Ad Spend Share
Consumer Goods	23.3%
Automotive	20.4%
Financial Services	14.3%
Retail	10.2%
Entertainment/Media	7.0%
Technology	6.0%
General Business	4.4%
Restaurants	4.0%
Pharmaceuticals	3.6%
Travel Services	3.0%
Apparel	2.3%

Source: IAB Canada, Canadian Internet Advertising Revenue Survey, 2021

Display ads usually have a link embedded allowing users to move to another digital location, usually a brand or company website or a branded social media location, and developments allow for different interactive features. Based on a sample of a digital marketing firm's clients, the median click-through rate across 16 industries hit 0.50%.²⁷ Variation exists depending on size, location on page, use of an image, and type of display ad, however the rates do not change significantly over time. To some degree, this is one example of the two-step approach found in direct marketing practices.

Since display ads are the original marketing communication found in Internet media, academics investigated their effectiveness. Much of this research built on other media studies with an interest in predicting awareness (i.e., recall and recognition), attitude to the brand, attitude to the ad, attitude to the advertising format, purchase intention—all communication and behavioural effects discussed earlier—and click-through rates. The objectives for the Lomi display ad shown in **Exhibit 17-10** is consistent with ad messages for all brands in all other media. Lomi would likely expect all three communication effects—category need, brand awareness, and brand attitude—for this innovative product.

One study concluded that the highest level of forced exposure (e.g., receiver had no control to avoid the ad) yielded the strongest communication effects.²⁸ Other research showed that the congruence between the website (i.e., media vehicle) and the brand identified in the banner ad produced higher communication effects.²⁹ In addition, a study found that the search engine keyword used by a consumer attracted relevant banner ads to be displayed to them and provided stronger communication effects.³⁰ Additional inquiries studied audience category knowledge and brand familiarity with the advertised brand. Knowledgeable and familiar audiences did not demonstrate strong attention to banner ads.³¹

From a behavioural effects standpoint, banner ads contribute positively to both website visits and to website visits with subsequent store sales.³² In addition, all types of ad formats lead to website visits with varying degrees, with banner ads having the strongest effect compared other more annoying formats.³³

Other research investigated the effects of message content design elements and format of the ads on both communication and behavioural effects. Dynamic ads produced stronger carry-over effects compared to static ads for different ad formats and

EXHIBIT 17-10 Lomi achieves communication objectives with a digital ad plan.



Open Mind Developments Corporation

different target audiences.³⁴ Dynamic ads with emotional messages and medium colour (versus high or low levels) delivered high click-through ratios.³⁵ Interestingly, banner ad background colour and text colour did not influence ad or brand attitude in a digital context.³⁶ Finally, research comparing standard display ads to full-screen takeover, large display, and splash page wraps yielded stronger brand recognition and recall and higher ratings for entertainment, education, and brand value.³⁷

Furthermore, media scheduling and duration of exposure of the display ads replicated findings of advertising from other media. For example, longer exposure of a banner ad on an Internet page leads to greater brand recognition compared to recall. And consumers shopping online with a distinct goal attain lower levels of awareness for brands communicated in a banner ad.³⁸ Repetition of ad exposure produces significantly higher levels of recall for single and multiple creative executions in a variety of competitive and content-relevant digital environments.³⁹

Display Ad System

Ad networks place ads for advertising clients across millions of potential Internet sites that publish content efficiently and effectively. Hundreds of ad networks operate globally, but Google commands a significant market share. The ad network provider obtains ad placement inventory from multiple Internet sites that publish content, forecasts the inventory for the coming time frame (e.g., month), and organizes the inventory across multiple segmentation variables adhering to advertiser requirements. Second, the network negotiates and sells the ad placements to advertising clients. And finally, the network facilitates delivery of the ads from the advertiser to the publisher.

To counter the dominance of Google in Canada, News Media Canada and other media partners established the Maple Network Exchange. This service ensured that the money Canadian brands spent on advertising stayed within the Canadian economy. This exchange also allowed extensive reach for placement in multiple publications rather than arranging placements with each individual media vehicle.⁴⁰

When a network needs to manage its inventory of ads (buying or selling), it turns to an **ad exchange** that operates much like a stock exchange. The publisher provides information and requests an ad from the exchange. The exchange submits the request to advertisers. An advertiser then bids on the ad impression against other advertisers. The ad exchange selects the best bid and sends the ad to the publisher. The publisher completes the process, submitting the ad. The entire process is completed one ad at a time, yet takes milliseconds!

Ad exchanges are beneficial since fewer parties being involved results in less overall commission and greater dollars invested in advertising. Logistically, the whole process is simpler for all parties. The pricing mechanisms offer less risk to the publisher of receiving minimal amounts of money for its space; research suggests publishers stand to make more money. Advertisers know exactly where their ad will appear, thus avoiding any negative media vehicle source effects. This takes care of the problem of ads for wholesome brands with a respectable image appearing in unsavory Internet locations. Finally, the instantaneous bidding permits dynamic allocations of the advertising budget.

The interaction between ad networks and ad exchanges is a feature of the complex system of ad transactions that is known as programmatic buying. Most marketers are unaware of the system, partly out of ignorance and partly because it is contracted to their media agencies. However, the difficulties emerging with the system should get marketers interested in a hurry. Foremost is that the layers of complexity of buyers and sellers within the system disrupt the benefit of knowing where the ads are being placed. Big name brands find their ads on unscrupulous websites, which seriously erodes the vehicle source effect.

Although display ads are a worthwhile part of an IMC plan, there exists considerable evidence of substantial fraud due to invalid (non-human) traffic with automated systems. Some example of this fraud include bots driving up ad impressions as they mimic human users, hijack software on a user's device creating fake traffic, injector software placing ads where they do not belong, and sites impersonating legitimate sites. The fraud rate ranged from 3% to 37% in one study, and other studies confirmed similar levels. The study found that ads with higher CPM showed more severe fraud (e.g., \$15 CPM fraud rate is 173% higher). Concerned advertisers pushed back with requests for detailed fraud reports and movement to private ad sellers to avoid automatic systems.⁴¹ Other research summarized four challenges of the problem: industry participants intentionally using up advertisers' budgets with poor decisions, inaccurate measurement of ad exposure levels, conflicting interests between buyers and sellers within the automatic ad buying system, and ineffective dispute resolution procedures.⁴²

IAB Canada

Display ads follow voluntary industry standardization; the formats and technical requirements are found at IAB.com and IAB-Canada.com. An adjustment to the standardized formats occurred in 2017 (as in past years) with the deletion of old formats and the addition of new ones to take advantage of technological innovations. Examples of deleted ad formats include pop-up, pop-under, floating, auto/hover/rollover expansions, auto play video with audio, forced countdown, and any flashing animation. If you see these formats, it is likely you are visiting a less reliable website not adhering to IAB guidelines.

The new guidelines concern consumers and advertisers. The change for consumers is known as LEAN (Light, Encrypted, AdChoices, and Non-invasive) and is designed to improve the consumer's experience. The LEAN ad experience is guided by respecting the consumer's primary intention to read or view the publisher's content, allowing the consumer to exert control over the advertising experience, and giving the consumer the choice as to what and how much they want to receive. The change for advertisers is technical, focusing on flexible size ad specifications. The technical adjustment allows for display ads to work for any screen (i.e., size, resolution), ensuring that the intended creative message is shown optimally and loaded quickly.

Based on the above, IAB Canada established suggestions to follow the guidelines, and a relevant few are noteworthy to indicate how the LEAN ad experience is implemented. Rich media with interactive features such as animation, ad expansion, or video play should be user initiated. A close button must be present for ads that may obstruct a publisher's content. Video ads should be 15 seconds long to minimize bandwidth usage and the audio must start as muted.

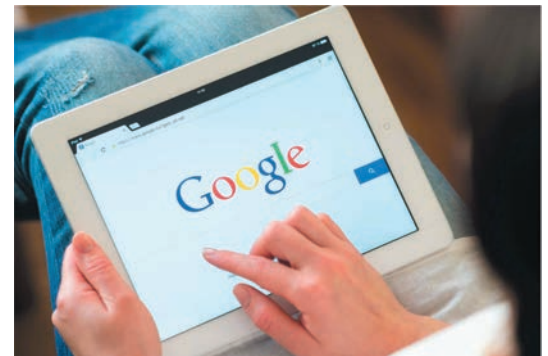
PAID SEARCH ADS

A substantial form of Internet advertising is **paid search**, or search engine advertising in which advertisers pay only when a consumer clicks on their ad or link from a search engine page (**Exhibit 17-11**). Other payment methods are available as well. Paid search ads in a link format are primitive display ads received by the searcher who at that point in time has a particular target audience characteristic: "in shopping mode." Visually, link ads are text only and are the most basic form of display ad, containing no visual and no or minimal copy. For example, a Google search ad features a headline, a URL, and two text lines with a 95 character limit. And while search advertising revenue reached nearly \$6 billion in Canada for 2021 and accounted for 50% of all Internet advertising revenue, it is almost astounding that so much is spent for such a poor visual and verbal message.

In fact, researchers and practitioners caught on to this issue and concluded that the message content of a paid search ad may be a key reason for its low **click-through rate** (CTR). One study suggested that paid search essentially replicated the historic classified ad from print media, and adapted an established method (A/B testing) for advertisers to test different copy to see which resulted in better clicks.⁴³ Another study investigated four different ways of writing the text message and concluded that message structures with statistical and expert evidence produced higher click-through rates than message structures with causal and basic evidence.⁴⁴ Much like decades of advertising research in other media, message content in advertising is important for influencing attitudes and behaviour.

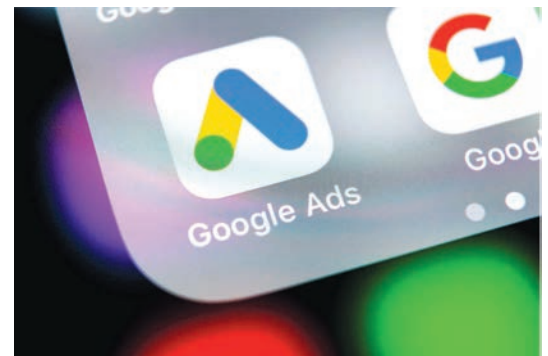
Google is the dominant provider, accounting for the vast majority of Internet searches. Google Ads, a keyword-targeted advertising program, uses short text-only ads to maintain an uncluttered page design and to maximize page loading speed (**Exhibit 17-12**). These text ads are identified, as "ad" appears beside relevant links and the links are separated for clear user distinction. Presentation varies depending on the device (desktop/laptop versus phone/tablet). Online advertisers compete for the privilege of having their ads displayed with the results of a particular keyword search in a higher position than their competitors' ads. Advertisers pay only when an ad is clicked (called cost per click, or CPC), which in turn takes the viewer to the advertiser's website. Google Ads runs a specialized auction to decide which ads to show on the basis of (1) each advertiser's CPC bid and (2) the advertiser's *quality score*, which is a measure of the *relevance* of how well an ad matches a user's search query. The pricing system is designed to reward more relevant ads and keywords by showing them higher in the search results. Google does this by decreasing the amount that relevant ads must bid per click to beat their competition. This means that Google can display the advertisements that are the most targeted and relevant to a Google user's *search query*, which draws more users and click-throughs and thus generates more revenue for Google.⁴⁵ Based on a sample of a digital marketing firm's clients, click-through rates ranged from 2% to 5% depending on the client's industry.⁴⁶

EXHIBIT 17-11 A familiar student activity is to google it!



©Your Design/Shutterstock

EXHIBIT 17-12 Google Ads provides links for advertisers to do search engine advertising.



©BigTunaOnline/Shutterstock

In an effort to more specifically target customers who may be interested in their offerings, advertisers employ search engine optimization (SEO), the process of improving the volume of traffic driven to one’s site by a search engine through unpaid results as opposed to paid inclusions. The belief is that the higher a site appears on the search results list, the more visitors it will receive. SEO considers how search engines work and edits its HTML and coding to increase its relevance to keywords and to remove barriers to the indexing activities of search engines.

From a direct marketing standpoint as described in **Chapter 16**, the search ad represents the first step and a website visit is the second step in the two-step process. When searching, a consumer might type in the brand name they are interested in researching rather than a generic product category; for example, Honda vs. new vehicle. In some respects, this could be seen as user laziness since the person could have typed in the Honda Canada website address. In another respect this is important to an advertiser since the searcher exhibited significant brand recall to initiate the search and it seems to indicate an existing positive brand attitude if they want to read up about the brand. One study that investigated this scenario found support that consumers’ existing attitudes and awareness levels guided their Internet search engine activity when in the market for a smart-phone or vehicle.⁴⁷ Another study found evidence that specific brand searches occurred with higher levels of TV ads, online display ads, advertising expenditures, and multiple media.⁴⁸ This highlights the importance of other marketing communication being strong to influence consumers’ behaviour when they are shopping.

VIDEO ADS

Video ads are shown on content publisher websites (such as TSN, as noted above) as well as on social media websites (such as YouTube and Facebook). The consumption of video in Internet media is reflective of the growth and potential for video ads. According to 2021 MTM data (shown in **Figure 17-7**), video streaming penetration on a weekly basis hit 89% and varies by selected demographics. The number of hours of video streaming per person hit 16 hours per week. In comparison, **Chapter 11** showed that TV viewing hit 22 hours per week with considerable variation for age. Those aged 18–24 watched 10 hours per week, while those 55+ watched 36 hours per week. Clearly viewing habits are changing, with technology putting pressure on advertisers to find the right media mix.

Figure 17-7 Internet video consumption (weekly), 2022, national, 18+

Age Group or Gender	Viewers %	Hours Viewed
18-34	98%	19.4
35-49	97%	16.2
50-64	87%	13.8
65+	67%	11.7
Male	90%	16.4
Female	88%	15.2
Total	89%	15.8

Source: Media Technology Monitor (MTM)

Digital Video Ads: Owned

EXHIBIT 17-13 GoodLife makes use of video to communicate on its website.



Roberto Machado Noa/LightRocket via Getty Images

The increased penetration of broadband into households and mobile increased the use of streaming video advertising messages. The equivalent of traditional television commercials, online commercials are appearing on Internet media vehicles. Some companies create new video messages for the Internet, while others run the same spots they show on TV. Companies have also been successful in blending the two media, showing the commercial on TV and then directing interested viewers to their Internet site if they wish to see it again or to view longer versions. These viewings on a company’s Internet site are usually hosted on YouTube or an equivalent video hosting service. Goodlife Fitness (**Exhibit 17-13**) puts training videos on its website that are hosted by Vimeo.

As noted in **Chapter 7**, storytelling is a newer creative strategy manifested with longer brand video messages. While some advertisers refer to these

story messages as branded content or content marketing, the ultimate goal of these messages is to influence a target audience. The message focuses on a company's product and supports its brand positioning strategy from a differential advantage or target audience persuasion perspective, as discussed in **Chapter 6**. In other situations, the message focuses on its consumers to support a user positioning. For example, Whirlpool created a 2.5-minute mini-documentary, "Sama's Lunchbox," which told the story of a young girl who shared Syrian snacks with her classmates. The heartwarming emotions associated with the video's images eventually gave way to images of Whirlpool appliances in the background. IKEA created a 25-minute film showing many of its products and virtually no people, focusing on the sensory responses consumers experience during consumption.⁴⁹

TV Video Ads: Paid

Online video versions of entertainment activities or shows which include ads are also available through Internet media. All major TV broadcasters offer varying options for ad placement for the majority of their shows. Much of the targeting potential and fit of audience of a show is possible via online video. For instance, as noted in **Chapter 11**, CTV website visitors watch free TV programs along with embedded commercials, similar to the existing television model. According to MTM data, viewership hit 22% in 2021 for CTV with variation by age (**Figure 17-8**). The levels of two other reported networks indicate that the future of advertising through streamed television shows is a promising opportunity for promotional planners.

Figure 17-8 Online TV service used, 2022, national, 18+

Age Group or Gender	CTV	Global	City
18–34	21%	18%	7%
35–49	22%	16%	9%
50–64	26%	20%	11%
65+	17%	15%	6%
Male	21%	17%	8%
Female	22%	18%	9%
Total	22%	17%	9%

Source: Media Technology Monitor (MTM)

Digital Video Ads: Paid

Advertisers place ads before and within online videos on video hosting sites. Clearly YouTube is the most significant option for advertisers to consider. Viewers watch an ad prior to receiving the video content, much like the experience with television. Or viewers willingly watch the ad or skip the ad depending on their initial reaction to the message or brand, somewhat similar to the TV experience where viewers zap ads. Other media vehicles like news sites offer video ads prior to seeing the intended news video clip as well. These options are priced using CPM methods to account for instances when viewers do not watch the complete message.

Given the growth of video consumption on Internet media, some viewers may feel that online video ads are intrusive. Similar reactions occur with other media when new ad formats are introduced. One study found that more intrusive ads led to skipping, weaker ad recall, weaker ad attitude, and weaker brand attitude. To minimize perceptions of the ads being intrusive, information and humour can be effective.⁵⁰ To overcome this situation, brands focus on relevant and creative ads. For example, Honda executed a paid digital video ad campaign with 23 executions lasting 15 seconds or 6 seconds. The former achieved completion rates higher than industry average. The creative featured animated characters to demonstrate vehicle features (e.g., heated backseats hatch a nest of chicks). Banner ads supported the video ads to communicate price information and drive visits to the website or the dealership.⁵¹ This example reinforces the point made for other media for decades: Successful message exposure is predicated on the message and media vehicle association.

And similar to studies of other media, researchers investigate the effects of message creative decisions. For example, one study looked at online video ad length and ad position (pre-, mid-, post-roll) in congruent and non-congruent situations. As found with TV ads, longer online video ads resulted in stronger brand recognition. Mid-roll ads exhibited stronger brand recognition for congruent situations where the ad and the video appeared similar (e.g., both use humour). Pre-roll and post-roll ads exhibited stronger brand recognition for incongruent situations where the ad and video appeared dissimilar (e.g., humour and drama).⁵² Canadian Tire presents a good example of adapting with these thoughts in mind. The brand made extensive use of digital video with 15-second ads in the media plan for its MotoMaster brand representing product categories like oil, car batteries, and tires. Placement maximized coverage to sports enthusiasts and automobile maintenance DIY consumers.⁵³

One study researched the effects of creative characteristics of pre-roll ads on skipping behaviour. Longer ads encouraged greater skipping. Ads with affect responses such as happiness and sadness elicited greater skipping. Ads with more complex affect responses such as humour, entertainment, and warmth led to less skipping, but four other complex affect responses led to no effect on skipping. And interestingly, ads with standard attention tactics like movement, colour, loudness, uniqueness, and branding led to skipping. The researchers concluded that the attention of someone receiving a pre-roll ad before an Internet video viewing is focused and established because of their goal-driven behaviour of watching the video selected. In contrast, when receiving a TV ad, a viewer is passively watching the show and their attention is less focused.⁵⁴ However, another study found that the attention tactics proved effective for congruent ads within the video context, but attention tactics proved less effective with non-congruent ads.⁵⁵

The overlap of TV video watching, online video, and online program watching has blurred significantly over the past decade with the growth of options to watch content historically found only on regular TV. The blurring continued with the growth of YouTube Premium apparently competing against brands it did not compete against when first launched nearly 20 years ago. **Figure 17-9** shows the acceptance of Canadians with various content providers. The growth of these competitors shows a variety of media vehicle options for placing a video ad message with Internet media.

Figure 17-9 Internet SVOD usage, monthly, 2022, national, 18+

Age Group	Crave	Netflix	Amazon Prime	YouTube Premium	Disney+	Apple TV+
18–34	15%	80%	45%	11%	42%	9%
35–49	18%	75%	48%	9%	38%	11%
50–64	17%	56%	33%	4%	15%	7%
65+	9%	35%	17%	2%	5%	4%
Male	16%	62%	38%	8%	26%	10%
Female	14%	64%	36%	6%	27%	7%
Total	15%	63%	37%	7%	26%	8%

Source: Media Technology Monitor (MTM)

AUDIO ADS

Podcasting

EXHIBIT 17-14 Audiences for podcasts represent a useful audio advertising opportunity.



©Ryan McVay/Getty Images

Podcasting is a medium that uses Internet media to distribute video and audio files for learning or entertainment purposes, and contains ad and sponsorship messages (**Exhibit 17-14**). Metrics for understanding the audience size emerged (e.g., <http://analytics.podtrac.com>), as they had with other media. One study investigated podcasting and found an average of 2.4 ads per podcast with an average length of 16 seconds, consistent with a length seen on television and ads shown prior to video clips on news or portal sites. The majority of the ads (i.e., 75%) preceded or ended the podcast with a sponsorship message, much like the early days of television in the 1950s. The specificity of the podcast content allowed for very targeted ads (60%), such as automobile brands sponsoring a car-care podcast, indicating a very strong media vehicle source effect, much like with magazines.⁵⁶ It appears that a familiar advertising model with a sponsorship approach will continue to grow; however, the content of a podcast is also a message with possible commercial intent. For example, in order to increase demand for fine wine consumption, a podcast describing the nuances of grapes, vintages, tasting, and so on could act as a means of switching consumers who currently purchase less-than-premium brands.

Audio Streaming

A newer form of audio advertising is through streaming services, such as Spotify, which offer a version of the service for free and supported by advertising with audio ads. Essentially this is the equivalent of radio advertising but with a degree of unmatched target audience selectivity due to the user's listening habits along with demographics and language spoken. The service also offers display and video ad options shown when the app is launched. For example, users receive ad-free service for 30 minutes after watching a brand's ad, or listen to a sponsored playlist. The costs are reasonable for all options on a CPM basis, but require a basic minimum to be spent per year.⁵⁷

CLASSIFIED ADS

Classified ads are found on Internet sites where consumers search for information when comparison shopping or where consumers are planning a purchase and looking to complete a transaction. One noteworthy example of this is Kijiji; while the average Canadian can post an ad for free to sell used items, Kijiji offers display ad options and paid search capabilities. For the most part, Kijiji sells its ad space on a CPM basis, ranging from \$2 to \$18. Similarly, Auto Trader lets private sellers post ads for free and generates revenue from auto dealers who try to attract those who are searching for a new car in the free postings. And employment directories like Workopolis charge a set fee for a job posting ad with varying levels of service and exposure. Multiple target audience options are possible with online directories, providing advertisers extensive sophistication over historic newspaper advertising options. In fact, it appeared as if a direct substitution effect from newspaper to online occurred, with online stealing a significant portion of revenue from newspaper for a period of time. However, the IAB reported \$270 million in ad revenue in 2021, down from a peak of \$587 million in 2010. Part of the decline is attributed to measurement adjustments, however it also indicates a general shift in advertising ad revenue to other options.

PROMOTIONAL ADS

Promotional planners offer promotional incentives to consumers (similar to those described in **Chapter 14**) in various ways within Internet media, typically to encourage continued media consumption. This is not a tracked media as there is generally no distribution cost, although there is a production cost. For example, loyal social media members receive digital treats; loyals are rewarded with related electronic items provided to them—such as ringtones, wallpapers, emoticons, skins, winks, filters, and pictures for instant message services. In this sense, these offers are digital “gifts” to reward behaviour. Another example occurs where various types of points systems allow repeat customers to generate even further rewards—a virtual continuity program for avid Internet media users who are brand loyal. Also, brands offer *advergaming*—skill-challenging endeavours that keep customers amused while offering brand messages during play. Another example is the delivery of enhanced content in terms of information or entertainment. Loyal customers are rewarded with exclusive video for their participation, and advertisers provide enhanced levels of information where this is deemed valuable.

LO4 Mobile

Mobile technology presents advertisers with advertising and promotion opportunities. Consumers use their mobile device constantly and it becomes a means of continuous two-way communication for brands to influence consumers in their decision-making process (described in **Chapter 3**).⁵⁸ Applying this approach raises questions for promotional planners. How does a mobile message best communicate need recognition? Which mobile approach is optimal for information search? What way is best to stay in touch with consumers post-purchase? Practitioners and academics see mobile as a means of influencing and understanding consumers' shopping behaviour significantly in the future.⁵⁹ For example, one study found that consumers reacted positively to a mobile promotion offer for a grocery store product placed elsewhere in the store compared to their present location.⁶⁰

MOBILE ADS

Mobile usage is quite significant, allowing extensive reach for advertisers. Smartphone penetration reached 93% by 2021. Furthermore, researchers estimated that up to one-third of all holiday purchases occurred via mobile devices in 2018, indicating the importance of mobile advertising, and many store purchases relied on the use of mobile technology.⁶¹ Mobile's effectiveness for processing and communication effects raises questions. How could a student pay attention to a smartphone video ad while passing people, dodging cars and cyclists, and avoiding absent-minded professors? Can a small display ad on a smartphone convey the brand sufficiently to build brand awareness? Does a video ad on a smartphone with a much smaller screen influence consumers' attitude the way a TV ad might with a large screen? These questions and others are relevant as brands

offer rewards and discounts so that users will view mobile ads. A preliminary study found mobile display ads ineffective for the most part, and only effective for high involvement–utilitarian purchases.⁶²

How Canadians use their smartphones is summarized in **Figure 17-10** with MTM data. General Internet media use is nearly universal with over 80% for those under 65 years old. Social networking is at that same level for those under 50 years old. Clearly, these data indicate significant reach and frequency potential for advertisers to target consumers with their phones. Thus, data such as these assist promotional planners to know how to reach their target audience. Variation in Internet media activities and social media usage indicates the importance of applying all media planning principles described in **Chapter 10** accordingly. For example, it seems unlikely that a promotional planner would use Snapchat to reach those in the 65+ age bracket!

Figure 17-10 Internet activities (monthly) using a smartphone, 2022, national, 18+

Age Group or Gender	Internet Use	Social Networking	Online News	Music Streaming	Audio Podcast	Online Radio
18–34	95%	90%	71%	88%	50%	14%
35–49	93%	83%	67%	76%	33%	20%
50–64	80%	59%	49%	46%	16%	15%
65+	49%	35%	31%	20%	8%	9%
Male	83%	66%	59%	61%	32%	16%
Female	80%	71%	53%	58%	24%	14%
Total	81%	68%	56%	60%	28%	15%

Source: Media Technology Monitor (MTM)

Figure 17-11 shows similar MTM data but for tablets and indicates that Canadians use each mobile device differently. Whether this leads to the potential for adjusting promotional message content or delivery remains to be seen. For example, while at a sports event, most fans would likely have their phone and not their tablet, and a promotional offer might best be sent on Twitter rather than other social media vehicles as people respond to what is happening during the event. A more important consideration for promotional planners may be differences in their promotional plans for online versus mobile. Academic research in this field follows a similar conceptual approach as with established media, and future research will likely evaluate the effects of different technology devices on mobile promotion decisions and their communication effects.⁶³

Figure 17-11 Internet activities (monthly) using a tablet, 2022, national, 18+

Age Group or Gender	Internet Use	Social Networking	Online News	Music Streaming	Audio Podcast	Online Radio
18–34	48%	16%	13%	15%	4%	2%
35–49	61%	21%	16%	15%	5%	3%
50–64	56%	28%	24%	19%	5%	4%
65+	46%	26%	23%	15%	5%	4%
Male	53%	20%	20%	16%	5%	3%
Female	54%	26%	18%	16%	5%	3%
Total	53%	23%	19%	16%	5%	3%

Source: Media Technology Monitor (MTM)

MOBILE APPS

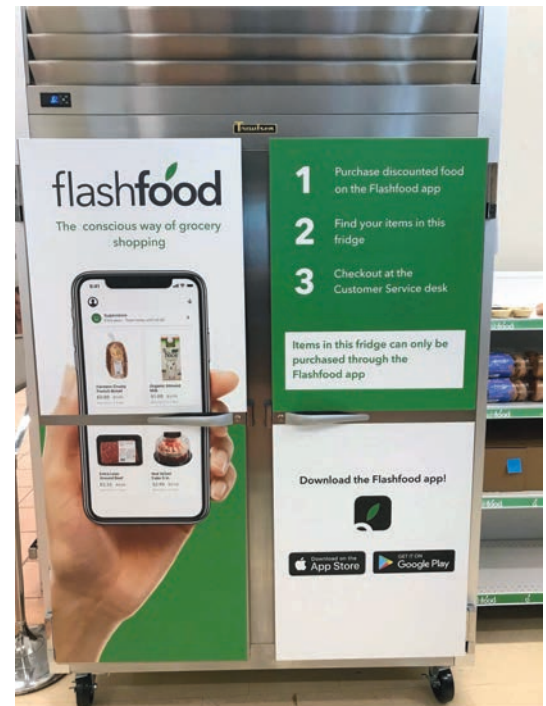
Mobile applications, known as “apps” for short, are small programs downloaded to a mobile device for many purposes. They act as ads since they generally carry brand identification and a brand experience. Loblaw partnered with Flashfood on an app for consumers interested in buying perishable (and non-perishable) foods like meat, produce, dairy, and baked goods just prior to their “best-before” date (**Exhibit 17-15**). The app appeared to be a good tool to contribute to the grocery retailer’s goal of

lowering its food wastage 50% by 2025. Indeed the worthwhile initiative proved invaluable to society in so many ways and a tribute to good marketing for the brand. A total of 76% of the 150,000 app owners use the service weekly.⁶⁴

Fundamentally, the use of a mobile device to participate in marketing communication is not a regular activity for most consumers, but that is changing. Advertising and most promotions are passive exposures that interrupt people's lives and are for the most part tolerated. However, apps and increasingly interactive digital communication are wonderful from the marketer's point of view since consumers will spend more time processing brand information. For example, tourism service operators in Newfoundland and Labrador and Canadians in general love a new app launched by the province that locates icebergs. Every spring, tourists visit the province for glimpses of old ice floating in the ocean. The app offers a number of features so consumers can plan their trip and maximize their experience. The app has increased visits to the province's website by 60% and page views by 80%, resulting in 5,000 referrals for the tourist operators.⁶⁵

One study found that apps provided strong brand effects, and that shopping-related apps led to stronger purchase intentions than experiential brand-building apps.⁶⁶ As this indicates, advertising researchers and practitioners use established methods and ad theories to test digital marketing communications. For example, retailers like Walmart and Holt Renfrew evaluated ways to develop apps for consumers. They all agreed that the app should be convenient to use and offer specific utility for it to be worthwhile. At Holt, the app helped consumers be involved in social media like Instagram, which spurred the beginning of a shopping trip. Consumers often showed themselves trying on Holt's outfits on social media, providing another opportunity for clothes brands to communicate.⁶⁷ **IMC Perspective 17-2** describes a situation where an app did not work out as planned for a major brand.

EXHIBIT 17-15 An in-store ad to support app adoption for the Flashfood app.



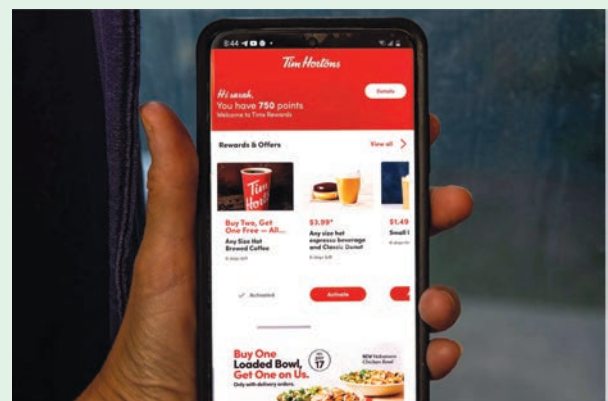
©Flashfood Inc.

IMC PERSPECTIVE 17-2

TIM HORTONS' APP MISHAP^c

Mobile apps perform many communication tasks for advertisers. For example, apps provide product updates and promotional offers to those enrolled in a brand's loyalty program. Consumers seemingly load an infinite number of apps on their smartphones these days, however problems do sometimes occur, as Tim Hortons learned. The problem affected 4.3 million Canadians who use the app monthly.

An investigation by four Canadian privacy regulators determined that the QSR brand tracked, collected, and recorded users' locations contrary to privacy laws. A previous news story illustrating the privacy problem initiated the investigation. The regulators' report concluded that Tim Hortons misled consumers who thought the recording of data only occurred when they were using the app. However, the app regularly recorded the data while the phone operated.



Touched by light images/Shutterstock

The report admonished the brand on a number of fronts. The brand continued to collect the data despite plans to not use the data for targeted advertising. In addition, Tims' software supplier contract potentially allowed its source to sell the data. The content of the "de-identified" data potentially could identify individuals by recording locations that divulged private behaviour (i.e., religious institutions, health facilities, sexual orientation, political association). Finally, Tims did not institute a robust privacy management program to manage the app.

Tim Hortons claimed it used aggregated data to analyze trends like seeing if a consumer switched to another coffee chain. However, the brand accepted the recommendations to delete the data, to implement a privacy program, to use the data generated from the app more

appropriately, and to strengthen its internal operations. Tim Hortons also indicated that the app operated like other Android and iOS apps by requesting permission from users to access the location of the device, and that it communicated its privacy policy in plain language. However, legal opinions indicated that granting permission to access the GPS device of phone is not the same as consenting to location tracking.

QUESTION

1. Does a story like this potentially drive consumers away from retail or QSR apps?

SMS

Sending a text message is the most common activity when using a smartphone, offering a number of opportunities for new communication and promotional offers. Coca-Cola put forth a promotion with under-the-cap personal identification numbers and SMS codes that offered discounts for cellphone bills. In hindsight, the incentive did not completely fit the teen target audience, who usually did not pay their own cellphone bill; however, the new approach gave the soft drink brand strong results for future implementation that included iTunes downloads and a contest to win concert tickets.

As the above suggests, these promotional messages have content much like other forms of marketing communication with a particular source and message structure. A study investigated the effects of these variables in an experiment of short messages sent to gamers during a local area network (LAN) party. The source was either a brand or a member of the party, while the message structure was either normal advertising language or shorthand text language, similar to what is sent in short text messages by users on a daily basis.⁶⁸ Thus, while this new "medium" is an alternative for sending the message, the principles discussed thus far in terms of positioning and advertising messages remain relevant for understanding attitudinal responses and purchase intentions. Furthermore, while searching with the mobile device occurs as in other computer environments, the GPS feature on smartphones gives retailers and event marketers a greater opportunity to persuade consumers. The coordinates signalled from the device are tracked, allowing brand information to be placed higher in the search.

One study investigated three ways consumers responded to a brand's text message for free music at its website: read text, visit website, and forward message. The messages included a suggestion to forward the offer to friend. The entertainment value of the message positively affected all three responses and the purpose value of the message positively affected the latter two responses. Given the offer and the simplicity of forwarding the message, the results indicated that research participants forwarded the message to all contacts irrespective of whether they were close friends or acquaintances. A result such as this indicates that even for a simple message, its content influences the call to action and resulting behaviour, much like findings from historic direct marketing efforts.⁶⁹

LO5 Measuring Internet Media Effectiveness

Understanding how to measure the effectiveness of Internet media is an involved topic requiring perhaps a whole chapter to fully appreciate its complexity, but this brief overview gives preliminary direction. As expected, numerous measures, or metrics as they are often known, are electronically recorded with digital communication. These data, and data from other methods similar to those described in **Chapter 9**, are analyzed to assess whether all facets of marketing communication described in this chapter are effective. Consistent with previous media chapters, audience information measures (demographics, psychographics, and so on) for Internet media are described. The communication model adapted through earlier chapters—exposure, processing, communication effects, and action—is applied to effectiveness measurement.

AUDIENCE MEASURES

The electronic recording of Internet user behaviour allows advertisers to investigate a multitude of ways of understanding what has been looked at on a website and for how long, along with user characteristics.⁷⁰ When Internet media first developed its

own audience size measures, concerns with the research methods led to a slower adoption rate by traditional media buyers. In an attempt to respond to criticism of the audience metrics used, as well as to standardize the measures used to gauge effectiveness, the Interactive Advertising Bureau (IAB)—the largest and most influential trade group—formed a task force consisting of global corporations involved in advertising and research. The final reports of the task force are available from IAB.com and contain both American and international guidelines (see also IABCanada.com).

The basic problem facing Internet media concerns a standardized method for determining the size of the audience. The report identified the technical procedures for accurately reporting whether an ad impression has occurred. This answers the fundamental expectation of advertisers as to whether the receiver of the message actually experienced an opportunity to see the ad (i.e., degree of exposure to the message). Another aspect concerns the accepted procedures for auditing the data, as done in traditional print media. Another key part of the report included guidelines for presenting data in terms of time of day, week, and month, as done in broadcast media. Finally, industry representatives agreed upon substantial guidelines for disclosure of research methodology, again consistent with all major media described in previous chapters. In future, advertisers can look forward to more authentic data to assess the viability of committing increased resources to Internet communication. Firms now use methods similar to those found in other media to measure demographics, psychographics, location and method of Internet access, media usage, and buying habits.

COMMUNICATION MODEL MEASURES

A significant development on this topic is a summary of 197 metrics (shortened from an initial list of 350) for websites, mobile, social media, and email published by the Advertising Research Foundation (ARF).⁷¹ The 197 metrics are catalogued into nine categories: advertising, audience/traffic, site navigation/site performance, media consumption, engagement/interaction, amplification/endorsement, conversion, ecommerce, and ad effectiveness. The metrics are also cross-listed by four marketing stages: capture (86 metrics), connect (90), close (18), and keep (3). Neither of these listing methods is exactly consistent with the communication approach of this book, but the marketing stage view is simpler to consider, with only four marketing stages.

The numbers indicate that the vast majority of the metrics are capture and connect, and for the most part these metrics address exposure, or act as a proxy for processing since they are time-based (e.g., number of minutes on website per visit) or incident-based (e.g., did the viewer watch the complete video). Many of the close metrics address aspects of ecommerce purchases, and some are general measures of conversion of any online behaviour that an advertiser wishes to track. Keep in mind that there are minimal measures of communication effects since these are knowledge-based and attitudinally based, in contrast to the electronic records of people's Internet media consumption. And there are no brand-based measures for trial or repeat purchasing.

Exposure Measures

As noted, there are numerous exposure metrics—*How many unique visitors came to our website? How many impressions did our page generate virally? How many times did a person see a specific ad or other piece of content? How many unique people did our video reach?* And, there are many processing measures—*What percentage of people who downloaded our app are using it? How long is a specific page viewed? How many of our brochures were downloaded? How many things were pinned from our website?* These selective examples provide an overview of many metrics that can be tracked across all the different communications occurring in Internet media. For a shorter and cheaper investigation, consult a journal article that gives a concise description.⁷²

Research from a leading digital research firm (Comscore) suggests a number of empirical generalizations that contribute to our understanding of exposure measures. First, prevalent **cookie** deletion overstates unique visits to websites, resulting in an overestimate of reach and an underestimate of frequency. Second, consumer use of multiple devices and the fact that cookies cannot distinguish among multiple users of a device creates even more measurement error. Third, the above two points makes targeting inaccurate, especially for behaviour which averaged 36% accuracy. Fourth, approximately one-third of all ads do not provide an opportunity to see since they required scrolling, which did not occur. Finally, the fifth generalization reiterated the previously identified fraud point. In totality, the issues summarized here imply that a substantial part of the \$2.3 billion spent for display ads is wasted.⁷³

Communication Effects Measures

The movement for comprehensive communication effects measurement reveals that the Internet has its own set of criteria for measuring effectiveness and is also borrowing from traditional measures. Companies that provide research information in traditional media extend their reach to Internet media. Academics publish articles related to measuring communication effectiveness with Internet media, both currently and historically. For example, shortly after the first banner ad appeared,

academics investigated consumers' attitudes to an ad (e.g., banner ads).⁷⁴ And shortly after Internet sites emerged, academics investigated consumers' attitudes toward a site.⁷⁵

A number of companies use traditional measures of recall and retention to test their Internet ads. The same measures have been used to pretest online commercials as well. Survey research, conducted both online and through traditional methods, is employed to determine everything from site usage to attitudes toward a site. Companies now provide information on specific communication measures like brand awareness, message association, brand attitude, and purchase intention.

One of the more extensive attempts to measure the effectiveness of integrating interactive and traditional media is through the IAB's *cross-media optimization studies (CMOST)*. These studies are designed to determine the optimal mix of online and offline advertising media vehicles, in terms of frequency, reach, and budget allocation for a given campaign to achieve its marketing goals. Examples of these studies are regularly published on the IAB website. One featured a Tetley Tea campaign using magazines and two expandable rich media ads and a video pre-roll. Results indicated the importance of media with varying communication effects (awareness, message retention, purchase intention) at different stages of the consumer decision-making process, as shown in **Figure 5-5**.⁷⁶ What makes these studies important is that they provide insight into (1) the relative contributions of each medium in the mix, (2) the combined contribution of multiple media, (3) optimal media budget allocations, and (4) actionable media mix strategies.

Finally, social media may require its own set of metrics based on its "owned" media characteristics. Reviewing the theoretical and practical literature, authors of one review article conclude with nine guidelines for implementing a measurement system. One significant guideline suggests unique metrics for different social media vehicles and unique metrics within different parts of a given social media vehicle. Another identifies the importance of focusing on the quality of the information rather than the quantity of social media activities.⁷⁷ As these two points imply, revised social media metrics will likely give greater insights into attitudinal brand effects.

LO6 IMC Planning: Strategic Use of Internet Media

The text, video, and audio characteristics of Internet media—along with various types of applications (e.g., websites, banner ads, streaming video, sponsorship, promotions, social networks, apps)—position it as being capable of communicating with customers and non-customers to achieve all communication and behavioural objectives, and to influence consumers at every stage of their decision-making process. The challenge for promotional planners is to select the correct application that fits the target audience and allows for the achievement of the most relevant objective along with the most appropriate message that supports the brand positioning strategy. Marketers think about planning issues similar to those found in other media, like how to break through the clutter and how to deliver messages digitally across a wide spectrum of vehicles.

A second planning issue concerns how Internet media may or may not be better than other media for advertising purposes. Early research investigated whether Internet or TV produced better results and found that Internet appeared stronger for high-involvement purchases only.⁷⁸ Other research compared the same ad delivered via print media to Internet media and found similar communication effects; however, ads with promotional messages (i.e., discounts) delivered better in print.⁷⁹

A third planning issue pertains to how Internet media are integrated with other media for advertising purposes. One early study concluded that offline advertising increased awareness and subsequent website visits, while online ads contributed to website visits. Neither affected the brand equity, as the actual visit to the website played more strongly in that regard.⁸⁰ Another study found that a combined TV-Internet message performed better in terms of processing and stronger communication effects versus two TV messages or two Internet messages.⁸¹ The conclusions of a print and Internet study recommended that print ads convey clear reasons to motivate readers to visit the website versus merely placing the website address in the ad.⁸²

A fourth planning issue is how Internet media are increasingly part of a complete IMC program. Advertising and social media messages are regularly coordinated and integrated. Sales promotions are executions on mobile devices and have supporting messages in ads. Research uncovered a significant communication effect of direct-response media through mobile devices after viewers received advertising or promotional TV messages that prompted continued interaction.⁸³ The list is endless, as essentially any combination of IMC programs are used with and within Internet media.

Internet media often work with other IMC programs. Promotional planners using print, broadcast, or out-of-home media would need to investigate the degree to which the advertising campaign in these media would be directly transferred to Internet advertising. This is commonly done and there are many examples. Alternatively, Internet advertising could take a substantially different direction—some microsites, for example, have allowed brands to take a more experiential or informational track and have a substantially different role and message compared to what is more publicly available. Finally, Internet media is consumed with other media, notably TV, and the communication effects of simultaneous brand exposure via a brand's TV ad and social media are promising avenues for future development, especially for heavy multitasking users who tend to be younger.

Internet advertising supports sales promotion activities designed to encourage trial and repeat purchases with banner ads or sponsored search links that direct consumers to contests or price promotional offers. Internet advertising is used successfully for public relations activities, as links to corporate websites are found on relevant Internet sites (e.g., financial information sites) and other mechanisms are available to direct consumers to corporate information to influence appropriate stakeholders. Finally, Internet advertising assists in direct-response marketing as it facilitates communication to the websites for conducting transactions.

Internet media as sales promotion is an opportunity for marketers, as digital content represents a sample for additional purchases or consumption. For example, a musician posting their work in social media provides exposure which may lead to consumers purchasing concert tickets, merchandise, or songs. It may also lead to additional consumption which results in stronger consumer engagement in the performer's social media channels. Brands also develop fun games and activities representing a premium or gift which are consistent with both the brand image and consumer experience as the sales promotion offers additional exposure and meaningful brand experiences.

Internet media as public relations supports considerable advertising for consumer packaged goods and food products. Broadcast and print ads for such products create images and persuade consumers with an appropriate brand positioning strategy. However, consumers may desire more information on usage, or would like to know the exact ingredients in more detail. The Internet site for Becel margarine offers a wonderful array of information for consumers desiring a more involved message about the brand, and acts as a tremendous public relations resource by presenting a comprehensive and honest assessment of the brand.

Internet media for direct-response advertising works very well for Belairdirect. The insurance company's print and radio ads suggest that consumers visit its Internet site to compare quotes from Belairdirect and up to five competitors. In this sense, Internet media function beyond mere communication like a regular informational website, especially considering that for a few years the focus of all the ads has been to encourage a direct response via the Internet.

In short, Internet media is capable of communicating all facets of the IMC program, and all aspects of Internet media can work with any other existing advertising media to achieve a brand's objectives. Careful planning is required like any other promotional decision, but the potential for positive results is limitless.

Learning Objectives Summary

LO1

Describe Internet media usage and explain website communication.

Internet media is relatively common for a vast majority of the population who seemingly do anything and everything online, on a computer or with a mobile device. While older segments of the population rely on these media less than younger groups do, the fact that the average hourly per capita consumption reached significant levels suggests that Internet communication is the most significant media.

Website communication is used for all of communication objectives described in this book. Websites contribute to building brand awareness, disseminating information, building a brand image, and fostering interaction between consumers and the company. The unlimited creativity of websites is remarkable. This creativity has given rise to consumers, practitioners, and academics referring to website communication as website advertising or Internet advertising. They apply existing models to understand how attitudes to the website and brand attitude are influenced by strategic and tactical design elements, much like what occurs with print and broadcast media.

LO2

Review Internet media advertising.

The growth of Internet media in terms of advertising revenue surpassed all other media. This growth suggests that promotional planners should develop a formal digital advertising plan like any other media. This point is consistent with the planning model in **Chapter 1** and media planning in **Chapter 10**. This chapter applied this material in the context of digital advertising to show that there are very similar decisions in terms of target audience and

objectives, media strategy, and media tactics. While the interactive characteristic of Internet media alters the plans to a degree, many of the previous concepts and decisions remain applicable.

Internet media permits targeting across all segmentation variables described in **Chapter 3** and, in particular, in terms of behaviour. Targeting occurs through the selection of the right Internet media vehicle. Whether that may be a news or entertainment portal, established media published from print or broadcast, new forms of publications found on the Internet, or many social media such as social networking, social bookmarking, blogging, etc., successful placement of ads in any of these media vehicles requires an understanding of the receivers or participants. Virtually all of these opportunities can provide a profile of their audience so that promotional planners can select the most appropriate target audience characteristics.

LO3 Identify the advertising formats of Internet media.

Advertising formats of Internet media include display ads that involve various types endorsed by IAB Canada. This organization sets guidelines for organizations to communicate effectively and fairly with the new LEAN systems. Paid search ads continue their dominance in terms of advertising revenue. Although search ads are limited in terms of visual presentation compared to other non-video messages, their effectiveness is strong for starting the direct marketing process. Video ads include online commercials on content publishers' websites, commercials within video-on-demand, and video messages placed within all sorts of social media vehicles. Audio ads are a new growth area beyond podcasts with audio streaming services.

LO4 Explore mobile advertising.

The use of mobile devices is surpassing the use of desktop and laptop access to Internet media. Consumers receive all the aforementioned ad formats on their devices. In the case of using a smartphone while away from home, advertisers can reach consumers during the shopping trips or when being entertained with many messages—brand image, promotional incentives, PR, and direct-marketing oriented. The immediacy of promotional communication is significant and is changing how advertisers are communicating with current customers and prospects.

LO5 Define measures of Internet media effectiveness.

Like with other media, this chapter concentrated on different measures of effectiveness for each stage of the communication process. Measures are obtained for exposure, processing, and communication effects and behavioural responses. The majority of these are tracked digitally; however, communication effects require direct measurement or a proxy.

LO6 Apply the ideas of Internet media within an IMC program.

Internet media has been the most rapidly adopted medium of our time. It holds great potential for communicating with all groups of consumers, and customers and non-customers alike. Moreover, it is useful for implementing all aspects of the IMC program including sales promotion, public relations, and direct marketing. Other stakeholders are potential audiences as well, making Internet media unlimited in its ability to persuade. However, contrary to popular belief, the Internet is not a standalone medium. Its role in an integrated marketing communications program strengthens the overall program as well as the effectiveness of Internet media itself.

Review Questions

1. How has Internet media threatened other media? How has Internet media assisted other media?
2. What are the similarities and differences in planning for digital advertising vs. TV advertising?
3. Explain the advertising formats that advertisers use with Internet media. Discuss the advantages and disadvantages associated with each.
4. What are the unique characteristics of ads on mobile devices vs. a desktop computer?
5. Describe the ways that marketers measure the effectiveness of their use of Internet media. How do these measures relate to more traditional measures?
6. Discuss the advantages of Internet media. For which types of advertisers is Internet media best suited? Why?

Applied Questions

1. Select a favourite Internet site for a brand and investigate how it achieves the objectives outlined in this chapter.
2. Suggest a digital ad plan for a leading brand for any product category.
3. Visit a number of Internet media vehicles and evaluate the effectiveness of the display ads in terms of creativity, message, and ability to reach the intended target audience.
4. Critically evaluate mobile apps on your smartphone in terms of the brand achieving communication objectives.
5. What measures of marketing communication effectiveness are relevant for each of the four types of social media investigated in this chapter?
6. Select a product of interest and explain how each of the four types of social media described in this chapter can be integrated effectively with other broadcast, print, and out-of-home media.

CHAPTER EIGHTEEN

Social Media



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LEARNING OBJECTIVES

- LO1** Identify social media communication.
- LO2** Review social networking.
- LO3** Illustrate content communities.
- LO4** Describe blogs and collaborative projects.
- LO5** Investigate social media influence.
- LO6** Apply the use of social media within an IMC program.

Facebook Ad Boycott^A

In response to the perceived growth of online hate speech and misinformation, multiple civil rights groups in the United States initiated a boycott of paid advertising on Facebook and Instagram for one month. Given the global characteristic of digital media, the boycott spilled over to Canada and beyond. Brands first onboard included The North Face, Recreational Equipment, Upwork, Patagonia, and Arc'teryx. These brands represented 10 and 12 million followers between the two social media vehicles.

Despite good intentions, past boycotts did not seriously impede Facebook's ad revenue, so the end result of this one appeared uncertain once launched. The above brands did not publicly disclose how much money they typically spend on Facebook advertising. One commentator suggested that one outcome of the boycott could put pressure on Facebook to make tangible changes that it resisted in the past.

In terms of background, Facebook obtained three-quarters of its annual advertising revenue from small and medium-sized businesses who likely could not halt their ad exposures, according to media buying agency executives. Overall, Facebook received \$70 billion in ad revenue from 7 million advertisers (average = \$10,000), which constituted 90% of its total revenue.

To mitigate the damage, Facebook immediately arranged sessions with the Interactive Advertising Bureau of Canada to communicate to advertisers how the media company improved its operations to address the

issues. A few days later, nearly 100 advertisers joined the protest. The second wave of brands supporting the one-month initiative included Microsoft, Starbucks, Coca-Cola, PepsiCo, Honda, Verizon, Unilever, Clorox, Eileen Fisher, Diageo PLC, Levi Strauss & Co., Adidas AG, Ford, MEC, and Lululemon.

The Canadian response intensified thereafter when the country's largest banks joined the boycott. One commentator estimated that each institution spent \$5 to \$10 million annually on Facebook advertising. If accurate, this would amount to a \$3 to \$4 million monthly reduction in ad revenue for Facebook. Another commentator predicted that advertisers might shift their advertising expenditure to alternative social media vehicles like Snapchat or Pinterest to maintain exposure levels and experiment with previously untried options.

As the calendar turned to the next month, Canadian bank brands did not continue the boycott and began advertising once again on Facebook. Commentators expect that the true effect of the boycott amounted to a public message for Facebook to improve its policies, as the revenue decline did not cause significant financial damage.

Question

1. Is the boycott evidence of future problems for Facebook paid advertising?

Social media represents a unique form of communication between brands and consumers, and among consumers. Its many different classes and approaches through paid, owned, and earned delivery make social media an important communication tool for promotional planners, and one for which they establish a clear plan before committing money, time, and effort.

This chapter reviews social media communication in terms of social media classes, social media engagement, eWOM, and social media usage. It then summarizes social networking by looking at Facebook and Twitter's paid, owned, and earned characteristics. Next, the chapter illustrates social media content communities by looking at the same paid, owned, and earned features for YouTube and Instagram. Third, it summarizes blogs and collaborative projects. Finally, the chapter comments on social media influence exerted by people with an established number of followers who rely on their opinion. The IMC planning section summarizes the strategic use of social media.

LO1 Social Media Communication

Without question, the most significant media trend is consumer adoption of social media. Approximately half of all Canadians regularly use social media—media that did not even exist a short while ago. Moreover, they use social media with multiple types of hardware (TVs, personal computers, laptops, smartphones, tablets, and game consoles). This section reviews different classes of social media in which brands plan for paid, owned, and earned media exposure. Other topics covered in this section include social media engagement, eWOM, and social media usage.

SOCIAL MEDIA CLASSES

Social media is an Internet-based application that allows the creation and exchange of user-generated content. From a media planning view for marketing communication decisions, most social media offer paid and owned opportunities to communicate a brand's message, and earned exposure through users' postings (e.g., comments, pictures). For social media marketing communication planning, social media classes include networking sites (e.g., Facebook), content communities (e.g., YouTube), blogs (e.g., WordPress), collaborative projects (e.g., wikis, social bookmarks, reviews), and virtual worlds.¹ The final one is omitted here since promotional planners rely on this much less than the others.

Figure 18-1 shows four classes of social media for planning messages. The first two are the same as cited above, and a broad information class is shown in the third column. The fourth column reflects an emerging idea as social media converges on lifestyles, reflecting activities, interests, and opinions, as described in **Chapter 3**. For example, Trip Advisor focuses completely on travel and it offers many options for user-generated content found in the networking, content, and information classes. Note that organizing a typology of social media classes for promotional planning purposes is a work in progress as companies, consumers, and advertisers adapt to technology. While some classes feature stronger social dynamic characteristics than others, the point remains that social media is a significant media type with multiple classes and many vehicles within each class.

Figure 18-1 Social media classes for message planning

Networking	Content	Information	Lifestyle
Social	Video	News	Health, Sports
Professional	Picture	Blogs	Music, Travel
Messengers	Live Cast	Collaborative Projects	Food, Gaming

Facebook and LinkedIn are dominant media in social and professional networking, but others exist for advertisers. While messengers are not quite similar, there is consistency with the social and professional realms as people use their contact list. Similarly, YouTube and Instagram are the leaders in video and picture content, however promotional planners might consider alternatives. From a news point of view, a media planner might select Twitter or BuzzFeed for message delivery. Similarly, an advertiser may communicate through information-oriented social media found in wikis, bookmarks, and blogs. In addition, numerous review sites exist as well for an advertiser to locate an optimal target audience for the campaign. As this suggests, the media planning decision for selecting a media vehicle within a social media class is consistent with **Figure 10-2**. Finally, lifestyles identified in the fourth column share functional characteristics (e.g., networking, share content, share information) with the others, however the attraction is a specific topic and unique experience for the audience. The significance of this perspective is that promotional planners potentially consider many options for selecting a media class to reach their target audience when constructing a digital ad plan, as described in **Chapter 17**.

The large number of social media classes and vehicles suggests that there is wide variation among them. From an advertising standpoint, this is a realistic view since each has a distinct audience for advertisers to target. However, at the core, there remain elements of commonality that users experience, which spurred researchers to investigate and define **social media attachment** in terms of eight characteristics.²

Connecting—remain linked with others

Nostalgia—remember the past

Informed—keep up to date

Enjoyment—relaxation/entertainment

Advice—learn from others

Affirmation—feel assured/supported

Enhancement—esteem/actualization

Influence—encourage/help others

Social media attachment is not difficult to see on a daily basis, as many people are very frequent users of many social media shown in **Figure 18-1**. Given the audience's attachment to a media that did not exist a short while ago, it is important for promotional planners to comprehensively understand their audience's engagement to make effective promotion decisions.

SOCIAL MEDIA ENGAGEMENT

User-generated content is a distinguishing feature of social media, and research expanded this idea and defined *consumers' online brand-related activities (COBRAs)* as consuming, contributing, and creating within social media. These three activities occur in social networking sites, and to varying degrees in other social media classes. Collectively, all three activities represent social media engagement. The examples listed within each activity below are illustrative and are not intended to be the only ones possible.³

Consuming includes watching a brand video, listening to brand audio, viewing brand pictures, following brand threads in a forum, reading brand social networking pages, reading product reviews, playing branded games, and downloading branded material (e.g., widgets). This is the lowest level of social media engagement and motivation is based on entertainment (enjoyment, relaxation, escapism) and information (surveillance, knowledge, inspiration, pre-purchase).

Contributing involves rating products, joining a brand social networking page, participating in brand conversations in a forum, and commenting in brand blogs. This is mid-level social media engagement and motivation is based on personal identity (self-expression, self-presentation, self-assurance) and social integration (social interaction, social identity, altruism).

Creating involves behaviours like publishing a brand blog; uploading brand video, audio, or pictures; writing brand articles; and writing product reviews. This is the highest level of social media engagement and motivation is the same as contributing. Clearly, someone who is actually producing brand-related content is showing a high degree of social media engagement, suggesting that such individuals exhibit substantial brand love or brand attachment as described in **Chapter 1**, or are very brand-loyal customers.

To some degree all of these COBRAs convey social media engagement, however consumption is relatively passive (such as consuming other media) and there is very little interaction. However, contributing and creating demonstrate complete social media engagement. One initial empirical test of the COBRAs idea found conceptual clarity among the three behaviours, and found support that the behaviours remained distinct from brand equity and brand attitude.⁴ Another study building on this view identified activities that constitute social media engagement in the context of luxury brands. The activities are consistent with the initial empirical test and they appear applicable for other product categories.⁵

Like/follow brand	Publish photo of branded product
Comment on brand post/brand ad	Publish photo of self with brand
Like/tag/share brand post	Solicit comments on brand photos
Mention friend in comments	Brand conversations
Tag brand names	Publish shopping stories
Hashtags in posted photos	Modify branded product

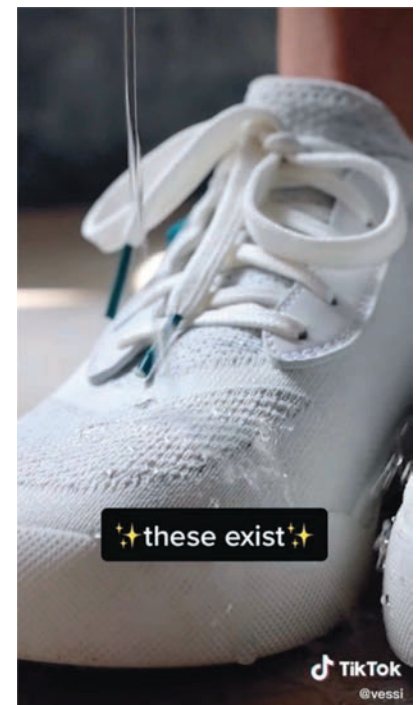
Other definitions and measures of engagement exist within the advertising literature that differ remarkably from this list and the items presented above.⁶ Thus, **social media engagement** is defined as consumer brand-related activities that reflect consuming, contributing, or creating behaviour manifested digitally in social media. Given the vast array of social media vehicles available, the specific consuming, contributing, or creating behaviour toward a brand will vary. However, the COBRAs identified and the above list are a starting point at which promotional planners begin to develop their social media communication plan. Advertisers gravitated to TikTok for many reasons, including its ability to generate social media engagement (**Exhibit 18-1**).

A promotion with Fountain Tire and the Edmonton Oilers exhibited significant social media engagement as the former's employees became a human typeface! Makeup artists painted real employees to look like enthusiastic fans, and film production recorded them cheering. Technical personnel integrated the images into a mobile app so fans could post messages in social media with the "Fan Bods" acting as the letters. The campaign generated 2 million impressions in six weeks, and the majority of the NHL teams adopted the promotion.⁷

EWOM

Individuals conversing in social media about brands are participating in electronic word-of-mouth communication (eWOM). More formally, **eWOM** refers to positive or negative statements about a brand or company communicated by a potential, actual, or former customer which are made available through Internet media or social media.⁸ **Chapter 4** covered this topic when describing personal channels of communication within the communication model and referred to it as *online WOM*, although *eWOM* is emerging as a preferred term. Consumers exchange information on content publishers' websites and in social media such as social networking, content communities, blogs, product review sites, and discussion boards. And eWOM is seen through

EXHIBIT 18-1 TikTok is a new social media that results in significant social media engagement.



Vessi Footwear Ltd.

social media engagement as consumers express their eWOM through consuming, contributing, and creating user-generated content in social media. Communication via eWOM is a digital manifestation of interpersonal WOM that occurred before digital media, but interactive characteristics and user-generated content change the dynamics significantly. In reviewing different social media, similar and unique aspects of eWOM are highlighted.

EXHIBIT 18-2 eWOM is especially useful for Wabanaki Maple Syrup to expand its reach and let consumers learn more about its offerings.



Wabanaki Maple Syrup

What is the significance of eWOM? A large-scale review of over 50 studies concluded that the number of eWOM messages contributed to sales very strongly, and that the tone of the eWOM (positive/negative/neutral) contributed to sales almost twice as powerfully. Stronger relationships for both volume and tone occurred for goods with less ability for consumers to try and for privately consumed goods. The implication of this data is that efforts by brands to encourage positive eWOM are worthwhile; if consumers actually put forth positive eWOM, then brands will experience greater sales.⁹ A similar review of over 90 studies found the same effect on sales, although the strength did not reach the same level. Nevertheless, the researchers concluded that promotional planners' active management of eWOM appeared warranted.¹⁰ Wabanaki (**Exhibit 18-2**) is a brand crafting authentic Indigenous maple syrup products. It communicates its offerings on its website and with social media. Its history and approach is an attractive story for many consumers to spread the news.

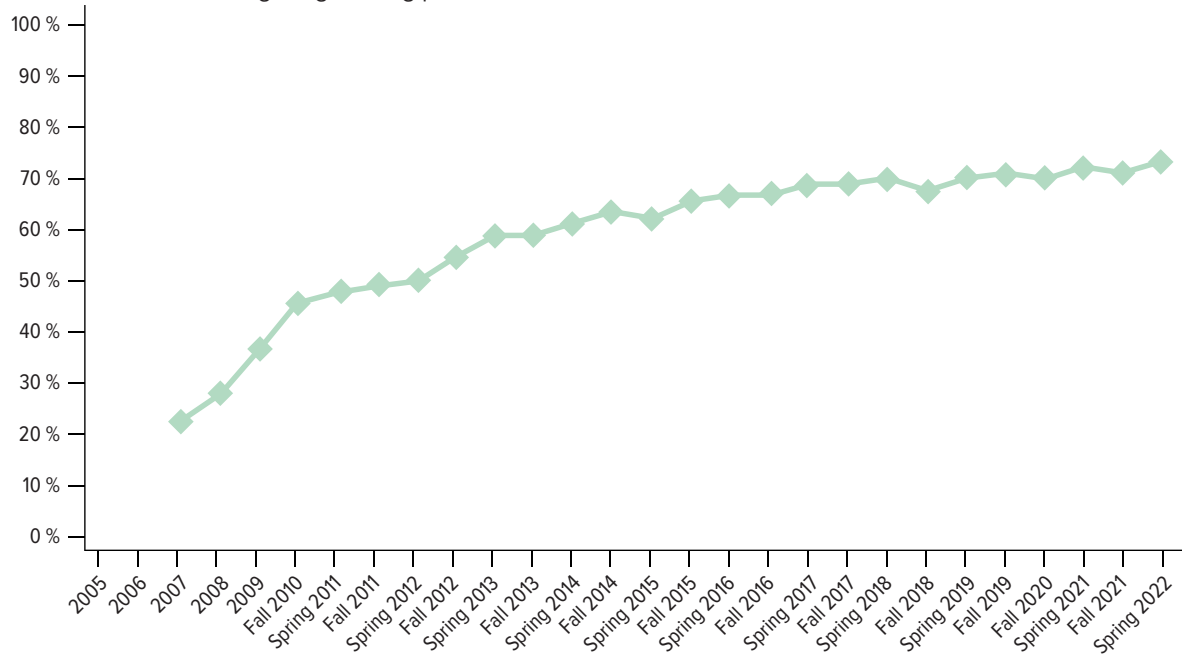
The selfie is a popular COBRA indicating significant social media engagement and is used for eWOM. In a study comparing individuals who post selfies with a brand/product (known as brand-selfies) versus individuals who post selfies without a brand/product, brand-selfies scored higher on narcissism, materialism, and beliefs that social networking sites offer valuable product information.¹¹ This illustrates a significant point for advertisers regarding the target audience decision described in **Chapter 3**. Messages that encourage eWOM could target those with certain personality characteristics and attitudes to social media to achieve a higher probability of positive social media engagement. In addition, initial evidence indicates that a hashtag contributes to greater eWOM.¹²

SOCIAL MEDIA USAGE

Figure 18-2 illustrates Canadian usage of social networking over time, indicating that a clear plateau emerged after substantial growth. The implication of this graph is that advertising or communicating through social media provides significant opportunities for heightened reach, but there remain limitations to maximize reach.

Figure 18-3 identifies the social media that Canadians use the most based on MTM data. The list spans different social media classes and illustrates differences in the percentages of consumers visiting the sites on a monthly basis. Interestingly, growth in social media usage is consistent over the past few time periods, with a couple of exceptions. The implication of the usage percentages is that reach is limited for the majority of social media vehicles. This list and the numbers reflect the primary ones examined in this chapter.

Figure 18-4 breaks down the overall usage trend by age groups. As expected, the youngest age group (18–34) skews higher than the total for all social media. This is also true for the next youngest age group (35–49) with one exception. The social media skews higher toward males for LinkedIn, Twitter, and Reddit, and skews higher toward females for Facebook, Pinterest, Instagram, and TikTok and shows no discernable skew for Snapchat and WhatsApp between males and females. Thus, the potential reach is limited for certain social media and for specific age groups for most social media.

FIGURE 18-2 Social networking usage during past month, national, 18+

Source: Media Technology Monitor (MTM)

Figure 18-3 Usage (%) of social media during the past month, fall sample, national, 18+

	2014	2016	2018	2021
Facebook	66	65	69	68
LinkedIn	22	24	18	24
Twitter	17	19	17	22
Pinterest	17	20	21	19
Instagram	13	22	32	38
Snapchat	8	14	17	17
Reddit		7	8	17
TikTok			1	20
WhatsApp			20	28

Source: Media Technology Monitor (MTM)

Figure 18-4 Frequency of social media use (monthly), 2022, national, 18+

	18-34	35-49	50-64	65+	Male	Female	Total
Facebook	77%	79%	63%	48%	62%	74%	68%
LinkedIn	33%	27%	23%	10%	28%	20%	24%
Twitter	33%	27%	19%	11%	26%	20%	23%
Pinterest	19%	20%	19%	12%	8%	27%	18%
Instagram	62%	46%	29%	14%	34%	44%	39%
Snapchat	43%	14%	6%	2%	16%	18%	17%
Reddit	37%	18%	8%	2%	23%	10%	17%
TikTok	34%	23%	13%	5%	17%	22%	20%
WhatsApp	40%	34%	21%	12%	27%	29%	28%

Source: Media Technology Monitor (MTM)

EXHIBIT 18-3 Instagram's popularity with advertisers is due to its paid, owned, and earned media capabilities.



Nadare Co.

These data suggest that promotional planners consider unique media decisions for each vehicle. When deciding to recommend the use of social media in an IMC plan, the promotional planner considers whether the plan is addressing paid, owned, or earned characteristics of each vehicle. All three approaches are connected to a degree, but promotional planners want to influence optimally to achieve objectives and should consider how it will work prior to investing time and money. Furthermore, a preliminary study across social media vehicles found different user-generated content. The researchers found user-generated content on YouTube to be akin to self-promotion, on Twitter to be seen as brand information delivery, and on Facebook to be in between these two end-points of the spectrum.¹³ This implies that unique COBRAs within a social media vehicle provide a different exposure context, suggesting this as an important media planning consideration.

Paid, owned, and earned approaches for message delivery in social media occur with all major players. Followers subscribe to a Twitter feed of their favourite brand, are exposed to paid messages, and converse with people whom they do not even know. Consumers view a brand's video on YouTube, see ads for the brand on other videos, and forward links to others, comment on videos, or produce a response video. TikTok users stay in touch with one another with fascinating short videos that attracts brands for all paid, owned, and earned media potential. Consumers see visually attractive brand messages when viewing Instagram (Exhibit 18-3). Consumers keep in touch with brands on blogs, see ads alongside the blog, and correspond seemingly as with a beloved friend as they respond to postings. Consumers use a wiki (a social bookmarking

page) to creatively express their relationship to a brand, see paid ads, and understand something of a brand from the basic information provided. As all these behaviours imply, consumers digitally involve themselves in several ways with a brand.

And here is the critical point: with technology at one's fingertips—for both planner and consumer alike—which direction should a brand take with social media, and how can it marry the paid, owned, and earned approaches successfully? Furthermore, which social media should it use for which kinds of ad messages, and which IMC programs should a brand work with as usage levels change over time?

LO2 Social Networking

Social media exploded in popularity and social networking sites are a prominent destination for many Canadians who visit on a regular basis, as shown in the past few figures. In fact, social networking users tend to be heavy Internet media consumers (i.e., spend more time, watch more online video, listen to more online audio) compared to non-social networking users. The top social networking sites—Facebook, Twitter, and LinkedIn—attract numerous visitors each month as their users create a personal profile and connect with others to digitally share content. Facebook and Twitter are evaluated for their use as paid, owned, and earned media since this is a new way in which promotional planners view digital media advertising.¹⁴

FACEBOOK

About 25 million Canadians (53% female and 47% male) count on Facebook to meet their social networking needs.¹⁵ Ads from numerous brands displayed in a few locations on a Facebook page indicates its “paid media” characteristic. A brand page in Facebook resembles “owned” media—much like the brand's website, and other “owned” media that existed for decades before the Internet that promoted a brand image. Consumers visit a brand page within Facebook, “like” it, and communicate positive and negative consumption experiences in a variety of ways. These activities are COBRAs and indicate user-generated content, a unique feature of social media leading to the designation of “earned” media. While a whole book could be written about Facebook, a couple of communication similarities to other media are highlighted, along with its unique features for paid ads (Exhibit 18-4).

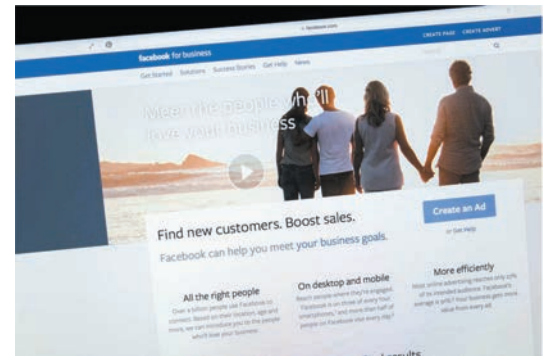
Figure 18-5 summarizes social media engagement activities of Canadians with Facebook. The first two represent consuming, while the third group is labelled exactly as defined by the COBRAs with “Contribute.” The data shows that Canadians are quite active with some engagement activities and less so with others. This is important for promotional planners who are designing social media programs to encourage certain activities. For example, if there is a contest that asks consumers to post pictures, the data indicate that only half do so, which might limit the promotion uptake.

How does social networking fit within a media plan? One study compared media advertising, brand messages to Facebook followers, and consumer-to-consumer communication (e.g., eWOM) to see the impact on communication effects and on various stages of consumer decision making. Media advertising contributed strongly to building brand awareness, consumers’ information search and alternative evaluation, and purchases. Brand messages in social media contributed to information search and alternative evaluation and purchases. eWOM contributed to preferred attitude and purchases. The implications of this support the points summarized in **Chapter 10** regarding media selection to achieve communication effects for each stage of consumer decision making. In general, promotional planners consider the right combination of media (not just one) for their brand, product category, and target audience.¹⁶

Paid

From an advertising standpoint, Facebook is a media vehicle like a specific magazine or television show. There is placement of an ad message within a content environment (or via a link). These messages are the ads described in **Chapter 17**, such as a display ad with a link to a brand’s website or video messages created by the brand. Facebook also offers other options that are similar and innovative: stories, messenger (which resemble paid search links), carousel, slideshow, and collection. All of these formats are communicated in terms of assisting with online direct marketing activities. A fun example of a useful way to implement a carousel ad is shown in **Exhibit 18-5**. Barkbox visually communicated the many toys and treats available for one’s pet.

EXHIBIT 18-4 Facebook provides information for paid advertising like other media companies.



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EXHIBIT 18-5 Barkbox’s carousel ad format communicates its many products for sale.



BarkBox

FIGURE 18-5 Facebook engagement, spring 2018, anglophones 18+

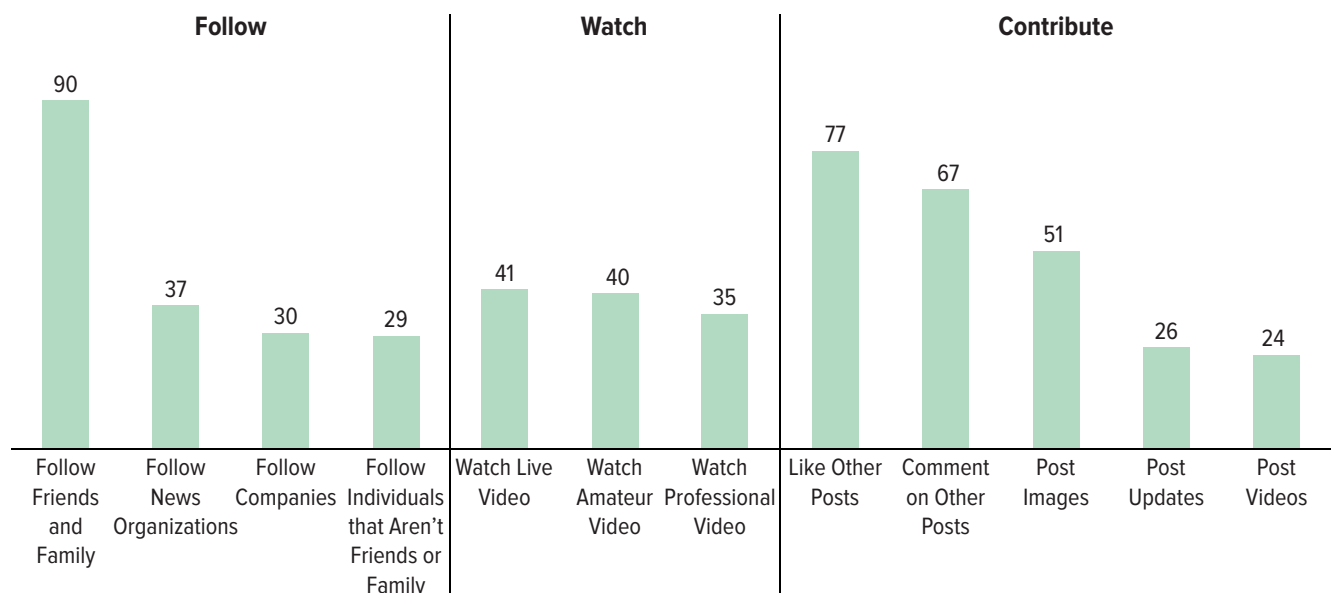


EXHIBIT 18-6 Lomi's ad visually conveys the benefits of its product.



Open Mind Developments Corporation

placed on Facebook. It conveys information, thereby influencing the receiver to obtain further information or to participate with social media engagement. Note that the message is very comparable to an ad message that is placed in other media with its visuals, layout, and body copy. In the future, perhaps consumers may be more accepting of these placements.

Owned

A Facebook brand page is completely unique owned media to communicate with a brand's target audience or the general public. It allows instant connection to exciting brand content, making the whole page a commercial experience in which the user may not even perceive (or may not be concerned about) the advertising due to brand loyalty. This idea of content on a Facebook brand page is not the same as content found in broadcast or print media, where the content is a TV program, a radio show, a newspaper article on a topic like youth unemployment, or a magazine piece on how university and college students can live away from home economically. Much of the content presented by a brand on a Facebook brand page is a form of advertising, or a unique kind of marketing communication depending on the brand and its content.

One study qualitatively evaluated three brand pages over time. The researchers discovered three themes of importance for the followers: content about the fan world, content about the brand, and the brand page community. In summarizing the data, the authors suggest how promotional planners can foster a stronger community on a brand page over time by increasing participation and engagement, introducing topical information (e.g., brand content), identifying communication (e.g., building interaction), and establishing cultural norms (e.g., value of social interaction).²⁰

This ad-like message is an example of the communication possible on a brand page that would have a positive influence on those seeking mentor services, volunteers (many likely following the page), and members of the general public interested in volunteering. Inspiring thoughts conveyed in the message would likely fit with the brand page community point mentioned in the above research study.

Facebook's literature is designed to educate businesspeople that a Facebook brand page is unique and yet consistent with advertising elsewhere.²¹ The page has a cover photo, a visually attractive brand presentation much like a print ad in a magazine. The profile picture gives a prime location for brands to present their logo or any other identifying image, once again adapting a long-established advertising principle found in other media. The filmstrip-like row of activities that includes apps provides additional promotional experiences. The ability to include brand information or photos in the pinned posts offers extended reading or viewing opportunities, and the experience is akin to reading feature magazine articles about a brand. But the distinction about content made earlier suggests that these posts are more like copy found in catalogues or other collateral material. Communications regarding sales promotions like contests or discounts are certainly familiar as they occur in all other types of media as well.

The targeting abilities of Facebook makes it an attractive media vehicle for advertisers by allowing complete choice and substantial precision among all segmentation variables summarized in **Chapter 3**. For example, Ben and Jerry's wanted to remind ice cream consumers who had savoured the brand in the past to consider eating the seven classic flavours once again. Using data from people's postings and other data, the brand increased sales from this target audience by 8%.¹⁷ Facebook provides guidelines on how the targeting and costing operates, and for the most part the steps are similar to other media but with simpler, "point and click" options as opposed to other more involved logistical arrangements. The ability to precisely target key variables places a premium on this media vehicle, provided people pay attention to the ads. However, the news feed is cluttered with both ads and content from friends, making it more difficult to ensure that a step beyond exposure occurred. Empirical research confirmed that Facebook advertising is as cluttered a media environment as TV.¹⁸

A study evaluating emotional and cognitive assessments of different paid ad formats and forwarded paid ad formats (i.e., earned media) on Facebook demonstrated that users are not thrilled with ads in the social networking site. The results reported a general trend of lower scores for display ads and suggested posts compared to re-promoted messages (e.g., friend like, I like, business pages) found in a user's news feed. While not completely unanimous, the data indicated users liked the forwarded ad messages more for six variables investigated. However, both types of ad formats scored at the midpoint of the scale, suggesting users were not really enthusiastic about either format.¹⁹ **Exhibit 18-6** shows a paid ad

The content of a brand page is designed to encourage participation with a brand's posting. Research tested the effects of a brand's posting and examined the factors that led to consumers "liking" the posting or commenting on the posting. The results found that high vividness ranging from no visual to photo to video produced higher levels of "likes" for video only, but did not garner more comments. Interactivity produced higher levels of "likes" with contest links, but not for website links, voting links, calls to action, or questions. Information and entertainment value did not produce "likes" or more comments. In contrast, the positional location of the brand post and the positive comments of others produced higher levels of "likes" and more comments.²²

Followers of a brand page are similar since they demonstrated affinity for the brand, but like any group of consumers, there are likely segments or groups with unique characteristics. To profile followers, one study asked numerous questions pertaining to brand self-expressiveness, brand loyalty, brand love, WOM, motivation for following the brand, and network characteristics. The fascinating result identified four profiles—fanatic, self-expressive, utilitarian, and authentic—which varied on their responses to the questions and which look vaguely like the psychographic profiles described in **Chapter 3**. The implication of this finding is that organizations should likely consider conducting such a study to understand the profile of followers, who are likely fairly loyal to the brand.²³ If a company found a few different segments within its brand page, it could determine how to communicate with each group with certain posts, events, or promotions.

One interesting study compared the attitudes of three different Facebook users toward a brand page and concluded that current followers exhibited a stronger brand attitude compared to non-followers, indicating that followers are likely aligned toward strong loyalty. In the natural field experiment, some non-followers joined the brand page, as instructed, and they eventually formed a stronger attitude when measured one month later due to actively interacting with others on the social networking site.²⁴ The implication of this result is that if brands encourage social media engagement on their brand page, they can expect a slightly stronger brand attitude that may contribute to future purchase intentions.

Organizations post on their brand pages to communicate to the followers (i.e., owned) and a follower may forward the message to a friend (i.e., earned). So an interesting question is whether an organization wants to design the post for the follower only, or design it for the follower to forward it (i.e., social media engagement). The previous section identified individual and social motives as the driving reason for social media engagement. One study looked at this with a sample of 10 million brand posts and a sample of users who reposted some of them. In total, 52% reposted since it would make them look good and 36% reposted since it would make them look intelligent. Emotionally, 47% reported reposting because it made them happy and 27% said reposting occurred because of excitement. Cognitively, 42% viewed the reposting as useful. Variation occurred by product category, but the implication of this study is that if brands want their posts shared, they should focus on exciting and useful messages that enhance the image of their followers!²⁵

In a comparison of two owned features of Facebook exposure (in-stream, page views) and two earned features of Facebook exposure (likes, user posts), the results indicated that likes and page views drove long-term sales the most. If likes are a proxy for loyalty, then the results highlight the importance of brands delivering accurate messages in their posts, much like any other owned media. Interestingly, news feed messages contributed to a long-term negative effect on sales.²⁶

Earned

Figure 18-6 reprises the MTM data by age and for the five contributing aspects of social media engagement. Interestingly, the oldest age group of 65+ is second highest for "comment on other people's post" and is the highest for "like other people's post." Are you surprised? From this data, it seems Facebook is approaching mainstream media status where there is similar behaviour for all ages.

Figure 18-6 Facebook engagement by age, spring 2018, anglophones 18+

Aspect of Social Media Engagement	18–34	35–49	50–64	65+
Post image	51%	64%	46%	34%
Comment on other people's post	38%	28%	23%	30%
Like other people's post	28%	20%	15%	29%
Post video	24%	37%	14%	11%
Post update	31%	36%	17%	11%

Another important attribute that is distinctive for this social media is the part of the page where fellow Facebook users describe their buying and consumption experiences as a message to consumers. While these messages are not controlled by the advertiser like the initial photos and messages are, their content can be influenced by the brand since they can be reactions

to what the brand initially posted. Nevertheless, a degree of brand influence clearly occurs from the social dynamic of people conversing—the extent, however, is open for investigation.

TWITTER

Canadian Twitter users amount to 7.5 million, with 46% men and 54% women. Twitter self-identifies as a “real-time information network” on its Internet site.²⁷ This contributes to difficulty in classifying it, since “networking” implies it is similar to entities like Facebook, however “real-time information” implies a blog or micro-blog. However, the messages distributed are reasonably similar to the news feed feature on Facebook, so it remains in the social networking domain.

Figure 18-7 summarizes social media engagement activities of Canadians with Twitter. There are lower levels for Twitter compared to Facebook, except for “follow news organizations” which support the classification shown in **Figure 18-1** of Twitter being a news outlet. The new orientation that emerged suggests Twitter is best used by brands as a PR tool. On the flip side, Twitter is also featured in notable publicity activities as well. As shown in **Chapter 15**, PR and publicity are linked substantially in marketing communication for organizations. Nonetheless, almost half of all Internet users involve themselves with posts showing a strong engagement level.

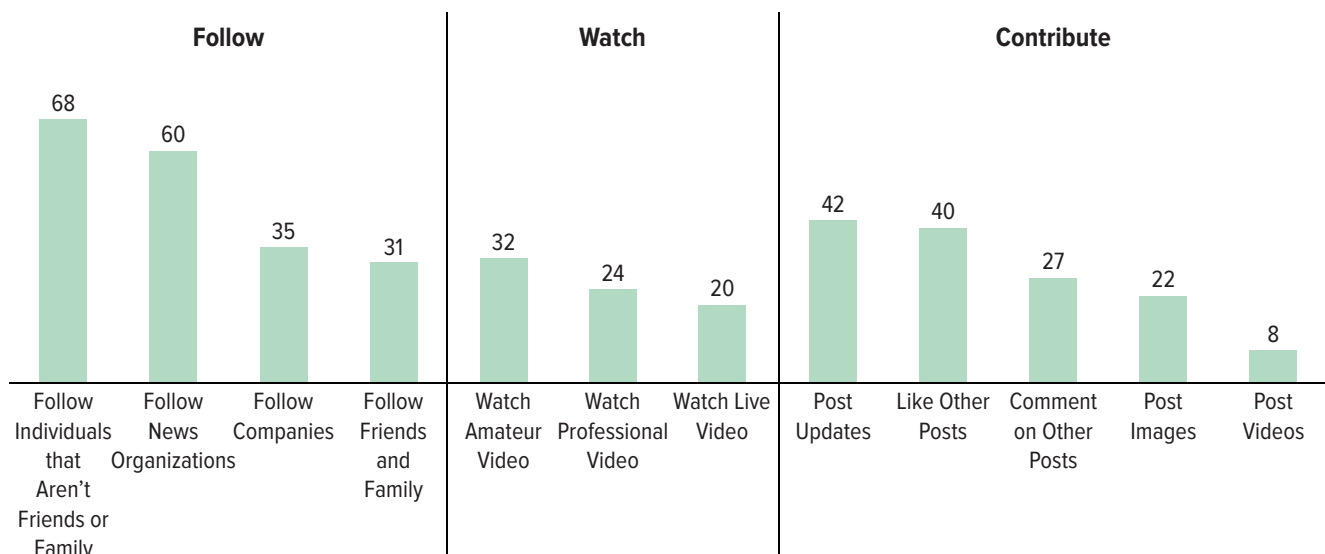
To some degree, Twitter is entirely free—any brand or person (e.g., performing artist, athlete) sets up an account and sends messages to followers, who will ultimately be influenced by such communication. The messages can be simple phrases and, if desired, can include links to whatever digital content the author would like to associate, including video. In this manner, brands distribute a controlled message to anyone who is following or motivated to seek out the messages, much like other Internet media that is owned. With so many users and so many messages there is considerable clutter, which led to Twitter offering advertising options for fees, and thus moving into a world of paid media.

Paid

Twitter’s ad products for marketing communication include promoted accounts, promoted tweets, and promoted trends.²⁸ Promoted accounts are identified by the brand name, like Cirque du Soleil, and are featured in the “Who to follow” account recommendation search engine. Cirque du Soleil wanted to announce tour dates and new shows to potential customers who can find this branded account among others. So this works much like a short link ad from a search engine to encourage repeat exposures to brand messages.

Promoted tweets are brand messages much like specific advertising messages found in other online media where consumers willingly seek brand information (i.e., Internet sites). They are also similar to brand messages placed in non-digital media like magazines. For one promoted tweet, Cirque asked followers to communicate their experience while seeing a show. In this respect, the social media message from a customer (i.e., source of the message) acts as a testimonial so that potential customers vicariously experience the spectacle. The customer testimonial is the unique contribution of social media; this personal content acts as a brand message yet shares similar qualities since there is an identifiable source characteristic regarding similarity (see **Chapter 7**).

FIGURE 18-7 Twitter engagement, spring 2018, anglophones 18+



The message often has a link to the Internet site or any other type of digital communication the brand planned. Cirque made use of promoted tweets that include sales promotions for discounted tickets that linked to its Facebook page. Naturally, the links could go to a brand's Internet site, which Gongshow Gear successfully employed, or to a YouTube video for continued brand exposure, like Porsche did for its launch of the 911 model. Promoted trends are listed in a designated trends section on Twitter, which acts as an automated search designed to encourage continued exposure to other messages. Again, this operates much like a link ad from a search engine. For example, Porsche initially established its hashtag in a promoted tweet and then listed the same hashtag in the promoted trends.

Twitter operates like any other media, offering an opportunity for brand exposure for fees. Advertisers pay when people follow a promoted account, or when people retweet, reply, favourite, or click on a brand's promoted tweet. The cost for these two ad products is based on a bidding system and ranges from \$0.50 to \$2.50 per follower for a promoted account and \$0.50 to \$1.50 per action for a promoted tweet.²⁹ The minimum price works out to a CPM of \$500, a very expensive proposition compared to other media. Like any media company, Twitter offers information and advice for advertising (**Exhibit 18-7**).

Media brands often look for new revenue streams, and social media never seems to stop with inventing new approaches. Twitter recently introduced a Super Follows feature where users could charge a monthly subscription fee for exclusive content (e.g., tweets, access, audio, newsletter). Individuals paid an administrative fee to Twitter or the service, with the aim of diversifying the social media brand's revenue beyond advertising, which accounts for 90% of its total revenue.³⁰

Owned

Brands implement owned media strategies on Twitter with the intention of sparking user-generated content, a strong feature of Twitter for brands to generate social media publicity (e.g., earned media). While this can have a positive impact, there is tremendous risk for negative communication as the company loses control, something most brands historically have not desired. However, the implementation of Twitter messages remains a concern for brands that are grappling with questions, much like any other media when it first arrived. What message should be sent via Twitter? When should the messages be sent? How frequently should the messages be sent? Where should the brand digitally direct the user via its links? Who in the organization should be sending the message? Why is someone motivated to receive the brand's Twitter feed?

Companies like Tim Hortons and Harvey's operating in Canada understand that their tone of their Twitter messages needs to fit with Canadian culture and be humble, sincere, and friendly. Canadian divisions of American brands like Denny's opened a separate Canadian Twitter feed so the message resonated with Canadians.³¹ **Exhibit 18-8** shows a creative example for Kit Kat to reinforce its "take a break" positioning. The theme and imagery is consistent with the creative approaches described for TV and other media advertising.

One study experimented with whether a company's own tweets (owned) or influencer retweets increased consumption of a documentary TV program shown on local stations compared to situations where no tweets occurred. It is interesting to consider whether the influencer option is paid or earned, as they are well recognized and paid for the tweets within the experiment. Realistically, the influencers represent paid media since there is a fee paid, akin to brands paying funds to a retailer to administer in-store displays. Alternatively, the recipients of the retweets may not be aware of the fee paid and view this as a non-sponsored message, akin to an earned media message. The data showed that company tweets did in

EXHIBIT 18-7 Twitter use is strong with smartphones.



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EXHIBIT 18-8 KitKat creatively reinforces its positioning with Twitter.



Nestle

fact increase viewership by 77%. Influencer retweets increased consumption by an additional 33%, and up to 57% when the message included broadcast information, with part of the growth due to the influencers bringing in new followers.³²

The implication of this study is that brands decide on the source of the message, much like other communication. In this case, the source is the brand or a spokesperson who is remunerated, but the third alternative is that the source is another consumer with no ties to the brand. Additionally, the message appeal is important, as shown in **Chapter 7**, and research is investigating whether a promotional message or an experiential message influences consumers' attitudes and their intention to click the message for further reading.³³ Even a simple tweet has a significant effect, and the content and source of the message are important decisions for promotional planners.

Earned

Figure 18-8 reprises the MTM data by age and for the five contributing aspects of social media engagement. Interesting variation occurs for "comment on other people's posts" as there is a dip in the 35–49 age bracket. Also curious is the similarity of many social media engagement activities for the 18–34 bracket and the 50–64 bracket. There is almost the same level for all age brackets for posting tweets. The implication of this is that perhaps Twitter is becoming a bit of a mass media for those who subscribe, and many are motivated to participate.

Figure 18-8 Twitter engagement by age, spring 2018, anglophones 18+

Aspect of Social Media Engagement	18–34	35–49	50–64	65+
Post image	28%	23%	23%	8%
Comment on other people's post	35%	19%	29%	25%
Like other people's post	49%	37%	48%	21%
Post video	14%	7%	5%	0%
Post tweets	52%	40%	40%	41%

EXHIBIT 18-9 This Oreo promotion might receive a lot of fun retweets.



Mondelez International 2022

What factors drive people to retweet a message? Part of the answer is the actual content of the message and the fit of the content with the sender. Messages that appeal to the person retweeting lead to them actually retweeting. The implication is that brands should design messages for the particular influencers they would like to see retweet the message to pick up on their source effects.³⁴ Presumably the Twitter message and promotional offer from Oreo shown in **Exhibit 18-9** might attract a variety of retweets.

One interesting study examined the content of consumer tweets of four brands within five industries. On average, almost 50% of the tweets focused on products, with just under 20% for each of service and promotions. The tone of the tweets reached 50% for negative, 35% for neutral, and 15% for positive. Combined, these data suggest that a good number of complaints were about product quality and that consumers used Twitter to announce their dissatisfaction.³⁵ The implication of this study is that brands need to consider the strategic purpose of their Twitter account, whether it's for proactive brand messaging or reactive post-purchase communication.

A study of major brands covering almost 20,000 brand tweets discovered that each one resulted in an average of 21 retweets, and 83% received at least one retweet. Characteristics that motivated followers to retweet a

brand's tweet included links to the brand's website, brand's social network site, photos, and videos, but links to news media had no effect. Product information within the tweet magnified the number of tweets by 11. Interestingly, brand identification, hashtag inclusion, and emotional message content also had no effect. Keep in mind that these factors did not lead to retweets, but they could have had communication effects on the receiver in other ways not measured in the study. The implication of this is that promotional planners design the tweets to influence the receiver to forward the message, or to influence the receiver only.³⁶

LO3 Content Communities

Content communities exist for users to share videos, photos, and audio media. This section concentrates on the first two because of their strong development as an advertising option. For video, this section looks at YouTube since it is the industry leader in advertising practices and retains a strong market position.

YOUTUBE

Figure 18-9 summarizes usage statistics from MTM for YouTube indicating that usage rates are approaching the level of TV. In fact, 90% of those aged 18–34 watch YouTube weekly. While the volume is on par with TV for the younger age bracket, the remaining brackets still watch more hours on TV. Like any other Internet site, YouTube generates revenue by selling a variety of display ads and video ads, and also offers in-video overlay display ads and specialized options for homepage ads. These types of ads are available for mobile delivery as well, demonstrating that YouTube is a paid Internet media option. Companies use YouTube for owned media with their branded channels. Social engagement occurs with viral video among other activities.

Figure 18-9 YouTube video viewing, 2022, national, 18+

Viewing Rate	18–34	35–49	50–64	65+	Male	Female	Total
Watch weekly	90%	84%	68%	43%	78%	69%	73%
Watch hours/week	7.3	4.9	3.5	2.6	5.9	3.6	4.7

Source: Media Technology Monitor (MTM)

Paid

Streaming ads operate much like TV, showing a message while viewing a content video, with options. True View ads permit viewers to skip the ad after five seconds, and YouTube offers four versions: in-stream ads, in-slate ads, display, and search. Standard in-stream ads occur before, during, or after a video and do not have the skip feature. First Watch plays a brand's ad first no matter what video the viewer watches. YouTube original channels offer similar media vehicles much like TV. There are a host of genres of shows in terms of sports, comedy, lifestyle, and others. Ads can be selectively placed on any of these channels. Alternatively, advertisers can select placement on regular videos based on profiling characteristics seen in previous media placement. For a large part of the younger age bracket, the content watched indicates that YouTube may be a substitute for their TV watching.

Owned

Of course, companies can put video on YouTube as owned media, and this is great for any kind of growing business. Brands became very creative with YouTube to establish owned media in different ways. Schick funded a series entitled *MsLabelled* featuring Ella, a young employee working at a fashion magazine with aspirations to be a fashion blogger. Ella came to life with her own accounts on Instagram, Tumblr, and Twitter. The brand saw similarity between Ella's character—who is fun and flirty—and its target audience. Although Schick did not promote its involvement substantially, the company received more visits to its website and strong traffic on Ella's social media.³⁷ Walmart established a similar idea with *Upstairs Amy* but showed its sponsorship, along with Interac's involvement, during the final minute of a five-minute video in which the viewer received an ad-like message and promotional offers. The captivating storyline enticed viewers to continue watching the episodes; the first received 320,000 views, and the next three averaged 200,000 views after nearly two years (as of 2019, there were 20 episodes online).³⁸

YouTube offers the opportunity for channels—designated repositories of whatever videos a brand may want to post for viewers—including ads appearing on TV, on another Internet location, or specifically customized. User channels are cost-free with the same functionality as for any other user. Thus, a YouTube channel retains the idea of owned media for brands desiring to host video messages. Brand channels are cost-free and offer additional avenues for brand identification and enhanced viewer experience. Custom brand channels offer interactive applications, user-generated submission, live streaming, and client services for fees. Even though YouTube has a dominant position, others are interested in gaining a share of a growing market, as seen in **Exhibit 18-10**.

EXHIBIT 18-10 Popular YouTube faces competition as the market grows.



©dolphfyn/Shutterstock

In order to grow its market, Ski-Doo targeted extreme winter sports enthusiasts (e.g., ice climbers, downhill skiers, glacier hikers) to try snowmobiling rather than targeting summer motor riders (e.g., motorcycles, watercraft). Ski-Doo began with an “Escape Mountain” documentary launched in the fall on the Discovery channel to initiate new consumers’ decision making. In the past, product-focused messages resonated with category users but did not entice non-category users to consider the sport. The new media plan also featured shorter snippets and exclusive content shown on YouTube. Paid ads timed with weather-related events supported the owned media digital exposure. The overall market grew 6% and Ski-Doo sales increased 18%.³⁹

Earned

In some respects, the use of channels on YouTube is a wonderful opportunity for advertisers to initiate further social media communication among their viewers. Major Canadian brand channels for

vehicle brands had low subscription rates in 2013, as shown by data recorded over time in **Figure 18-10**, but most of them had achieved significant increase by 2019. And it seems that the old adage—familiar from media before Internet video—is that creativity, no matter where it is located or viewed, gets notoriety. A brand’s video message in social media is passed along if it is original and creative, much like all facets of advertising.

Figure 18-10 YouTube subscriber statistics

Subscriber Year	Ford	Chevrolet	Honda	Toyota	Nissan
2013 subscribers	1,239	2,413	920	751	1,311
2016 subscribers	13,228	21,478	3,547	6,512	8,051
2019 subscribers	130,849	150,287	28,055	23,399	21,242
2022 subscribers	210,000	142,000	41,200	48,200	27,800

Source: Compiled by observation on June 4, 2013, May 21, 2016, June 27, 2019, December 20, 2022.

In commenting on the success of brand messages on video hosting sites, experts suggest that a positive return on investment is achieved if a clip reaches the 1 million mark. For example, a video that costs \$50,000 to produce results in a CPM of \$50. This is a different cost comparison based on production since there is no media cost, for now. Canadian advertisers are taking creative risks by placing ads on these sites that they might not normally place on TV. Of course, the 1 million mark only happens if the video link ricochets throughout social media, another example of how the same ad units discussed in **Chapter 17** work in social media as well. And the media cost for distribution is free, since ordinary consumers are doing the work that brands would normally pay media companies to do.

Why would someone want to share a video? One study investigated three motives—altruism, affiliation, and distinctiveness—and found reasonable support for this view in their analysis. The key implications suggest that promotional planners should consider how to position the information associated within the link message to resonate with receivers so that they forward the message.⁴⁰ Another study investigated the impact on sharing with the following motives: need to belong, individualism, altruism, personal growth, and consumption. The results showed a strong positive effect for individualism and altruism, and a strong negative effect for personal growth.⁴¹

Beyond the motive of the sender of the video to others, it is critical that the receiver actually likes the video, or has a positive attitude toward it. This is consistent with the attitude to the ad model described in **Chapter 4**, but in this case the ad is the viral video and researchers found similar results. A positive attitude to the viral video contributed to a more positive brand attitude.⁴² Who should receive the viral video? The conclusion of one study is to cast the video out to as many as possible who are relatively similar, have a strong tie to the brand, and have strong influence over others.⁴³

IMC Perspective 18-1 highlights TikTok as a new video message alternative for advertisers.

IMC PERSPECTIVE 18-1

TIKTOK IS A SOCIAL MEDIA STAR^B

Big brand names such as GoodLife, Loblaw, Sport Chek, Indigo, AMEX, and Re/Max rounded out their media plans with TikTok exposure in 2022. This video-based media conceivably offers an opportunity for brands to achieve awareness and attitudinal objectives, as well as a direct link to the brand's Internet site for further research or purchase. This ad image shows that jewellery brand Nadare Co. likes TikTok ads in its plan.



Nadare Co.

GoodLife repositioned its motivation message communicated through its ads from cosmetic and weight-loss reasons to stress reduction and mental health reasons to influence a new target audience who focused on their personal well-being. New social trends emerged in the market, and the brand tried to differentiate itself from other large chains like LA Fitness and boutique gyms serving niche markets. GoodLife also altered the creative tactics of the message in terms of colour, music, and imagery to communicate the dynamic energy of working out in their gym. The media buy included regular and

connected TV exposures with a larger budget. TikTok supported the exposure to provide a less polished, more authentic feel in keeping with the new brand positioning strategy.

Loblaw reinstated CEO Galen Weston as its spokesperson for a variety of products under the President's Choice banner. Earlier in the year, his messages encouraged consumers to share their stories of their favourite PC products, highlighted the exciting *PC Insider's Report* magazine and showed how consumers could save money. For a PC coffee video ad, the taste benefit claims and the communication of the money-back guarantee proved tricky, which led to various off-script discussions. Interestingly, the production team recorded the conversations and the footage became the source for a TikTok version of the message. Ultimately, TikTok became part of the media mix along with in-store sampling and displays.

Sport Chek continued its positioning toward families with active children involved in numerous sports and featured its signature check mark as a key part of its brand identification. A recent execution expressed the benefit of buying the gear for family sporting adventures such as downhill skiing. The media mix and IMC plan included public relations, TV ads, and paid social media ads on Facebook and Instagram. The plan for 2022 introduced a version of the skiing execution on TikTok.

Indigo recently expanded its product line even more beyond books and a few home items. In order to attract younger consumers, the retailer offers a greater assortment of wellness products. For example, Indigo partnered with Adidas to sell its loungewear product line both online and in-store, with numerous events and activation at the latter. From a media standpoint, Indio attempted to reach younger consumers with TikTok exposure and a special book club partnership.

A paid video ad message from AMEX ran in Twitter, Pinterest, Instagram, and TikTok as part of its "Member When" campaign. Recording on a mobile device provided a non-ad-like message to look like non-ad videos typically seen. The storyline showed a mother and daughter enjoying a birthday trip in Las Vegas to communicate how epic travel is when using the AMEX card. The brand's digital media plan included customization of an execution for each of the social media vehicle channels.

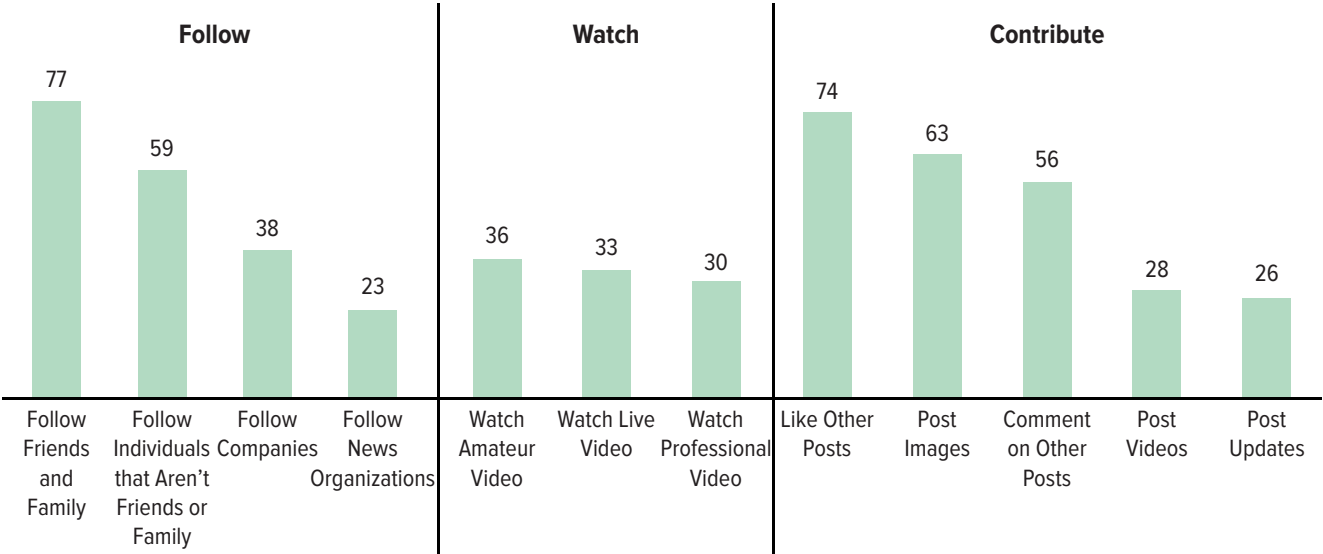
QUESTION

1. What other big brand names could use TikTok in their social media plan?

INSTAGRAM

About 13 million Canadians visit Instagram regularly (56% female and 44% male). **Figure 18-11** totals up the content creation of Instagram users with the same data shown for Facebook and Twitter. On all measures, Instagram users exhibit very strong social media engagement. Instagram leads Facebook on a couple of “follow” activities and is fairly even with Facebook on half of the remaining activities. Like seen with the other three, Instagram is useful for paid, owned, and earned messages.

FIGURE 18-11 Instagram engagement, spring 2018, anglophones, 18+



©Media Technology Monitor (MTM)

Paid

EXHIBIT 18-11 Instagram photo images provide opportunity for paid media exposure.



©ArthurStock/Shutterstock

Instagram offers numerous avenues for advertising with photo, video, and carousel ads (**Exhibit 18-11**). Many of the targeting features found with Facebook are available here as well since Facebook owns Instagram. And Instagram pushes ads through the news feed similarly, with ads having the same look as the media content.

Owned

The brand development in Instagram appears enormous for different types of advertisers. For example, for experiential products, like travel, entertainment, and so on—essentially, any product category that has a transformational motive—the images contribute to existing positive attitudes or begin to build new ones for non-users. If Canada wanted to foster more travel, what better way than to sprinkle photos or videos in Instagram that people from other countries might see? **Exhibit 18-12** is an example of how Cadbury implemented brand messaging of its promotion with Instagram.

Here are other examples of interesting owned media usage of Instagram. Imagine considering plastic surgery and looking for information about procedures. Indeed, one leading specialist shows his practice in all of its gory detail and sees his Instagram page as the new Discovery TV channel for millennials who do not watch television. Since these videos serve an educational purpose, the Canadian Association of Plastic Surgeons is unconcerned about their being posted, as long as the information is not misleading or deceptive. Some consumers like the idea so much that they give the doctor permission to share the video recording with other interested consumers, or consent to a live broadcast of their procedure!⁴⁴

Interestingly, during National French Fry Day, McDonald's Canada livestreamed one of its french fry stations for 90 minutes and received 750,000 views in Instagram and other social media vehicles. For promotional support, the QSR gave away french fry themed swag on Instagram (the result? gone in 60 minutes) and it enlisted the assistance of a social influencer for added exposure.⁴⁵ Taco Bell also used Instagram and live events to successfully launch its Baja Blast drink. Consumers got their hair dyed Baja Blue, and 32 million impressions later it became the restaurant's number one fountain drink.⁴⁶

Businesses selling directly to consumers see Instagram as a creative and visual means to communicate their goods. **Exhibit 18-13** shows an Instagram site for a small business displaying its products. Social media presence like this provides online exposure for small businesses. Also, the beauty of Instagram for companies using Instagram in this way is the content from those who post comments after a photo or video. This illustrates the feedback aspect of the communication model shown in **Figure 4-1**.

Earned

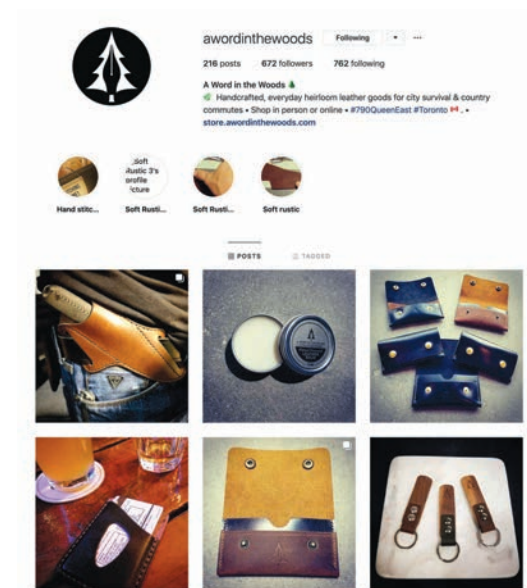
Figure 18-12 shows the social media engagement of Canadians using Instagram across four age groups based on MTM data. There is a notable skew of social media engagement of younger users for Instagram compared to Facebook. Perhaps in time this may change with greater usage by those in older age brackets. The visual characteristics of Instagram are quite attractive for brands that advertise with a transformational motivation like travel and fashion.

EXHIBIT 18-12 Instagram's visual presentation style is an attractive option for brands like Cadbury to promote its brands to promote its brands



Cadbury UK

EXHIBIT 18-13 Instagram provides exposure for small businesses.



©Michael Zimmermann, @awordinthewoods

Figure 18-12 Instagram engagement by age, spring 2018, anglophones 18+

Aspect of Social Media Engagement	18-34	35-49	50-64	65+
Post image	72%	63%	48%	19%
Comment on other people's post	66%	59%	48%	19%
Like other people's post	84%	76%	57%	18%
Post video	38%	32%	10%	10%
Post update	34%	28%	15%	11%

EXHIBIT 18-14 Goorins Bros.' unique style of communicating its fashion fosters social media engagement.



Goorin Bros.

Continuing with the travel example from above, companies in the travel industry could foster user-generated content and encourage photo/video postings of ordinary citizens and create a means for consumers to find them, like a social bookmarking site. Similarly, fashion brands with their own Instagram page show their products and encourage feedback and all sorts of social media engagement. The image in **Exhibit 18-14** is an example regularly shown on Goorins Bros. Instagram page. The photographer invites unknown individuals to model a hat for the picture. The storyline is captured providing an authentic visual of the brand's style. Interested consumers are likely motivated to join the conversation and possibly take pictures of themselves wearing a Goorins hat.

To encourage the visual generation to visit and shop, Yorkdale Shopping Centre in Toronto installed Insta-worthy places for consumers to snap their pics. Designed by local artists, the fun pop-up environments provide the perfect backdrop for users to glam up their Instagram game. Many arrive at Yorkdale specifically for the new spaces. According to Yorkdale's marketing director, since users tag the location, the initiative has resulted in greater foot traffic.⁴⁷

LO4 Blogs and Collaborative Projects

Social networking and content communities are quite popular and draw considerable interest for brands for paid, owned, and earned approaches. In addition, blogs and collaborative projects are good social media options for brands to evaluate and implement as they are classified as good information resources for consumers. They can ensure greater social media engagement to help brands achieve communication and behavioural objectives to reinforce their brand positioning strategy.

BLOGS

A **blog** (short for *weblog*) is a publication consisting primarily of periodic articles, normally presented in reverse chronological order. Blogs reflect the writings of an individual, a community, a political organization, or a corporation. A blog set up for brand presentation is akin to a website in that it is owned media. Blogs also present the opportunity for ad placement (e.g., paid media). And the ability of consumers to participate with responses and by adding user-generated content permits both positive and negative brand communication. Thus, this social media vehicle is a multifaceted brand communication approach, like other social media. Blog sites where writers set up their own blogs with varying levels of visitor traffic include WordPress, Blogger, and Tumblr.

Companies have experimented with corporate or brand blogs to present a friendly public relations face to the general public and allow some interactions. These can be within the corporate website or standalone. The imagery and tone of blogs provide less formal communication, so companies look to blogs as a way of appearing friendly and opening dialogue. Brands also establish blogs to address issues or ideas related to consumers who are more committed to the brand by virtue of their participation in viewing and interacting with the blog.

Blogs offer advertisers a potential way to reach their target audience at a small cost since they are specialized vehicles for placing display and video ads, as described in the previous section. WordPress does not facilitate the placement of ads; however, Blogger, owned by Google, is associated with its system of ad placements. Individual blogs offer their own media kit for ad prices that are consistent with previous descriptions. For example, BlogTO, a blog about Toronto, offers different banner ad options with a CPM of \$10 to \$20, along with other customized options.⁴⁸ Extreme fragmentation occurs, with literally millions of blog media vehicles available in which an advertiser might place its ad. This problem supports the need for digital ad placement firms.

Personal bloggers find themselves as key influencers for consumers while describing their product experiences. For certain consumers, a blogger has a strong source credibility effect. In this respect, bloggers are acting similarly to journalists who feature product stories in newspapers or magazines. Marketers also recognize that mothers who blog are particularly successful in this role, as mothers seem to trust other mothers considerably. Blogs directed to foodies (**Exhibit 18-15**) are popular and provide good opportunity for food companies to influence consumers.

Advertisers also sponsor personal blogs, or an individual blog that is part of a collection of blogs such as the YummyMummyClub.ca. Erica Ehm, a famous media host, documented a trip to Alberta on her blog, including photos taken with a Sony camera. One page of the blog ended with the brand prominently displayed with a sponsorship notice that provided full disclosure of the relationship between the blogger and the brand. Some are critical of this process and suggest that it circumvents the “idea” of a blog, while others are concerned that bloggers do not communicate the advertiser’s exact financial contribution. In defence, bloggers cite industries (e.g., fashion, travel) where free goods are routinely passed along for endorsement. This discussion of social media influence is continued in the next section, which encompasses all social media.

EXHIBIT 18-15 Bloggers post images on their sites and provide opportunity for earned media exposure for brands.



©Stock-Assso/Shutterstock

COLLABORATIVE PROJECTS

This type of social media includes wikis, reviews, and social bookmarking Internet sites. These share a common characteristic of having extensive user-generated content. Wikis permit users to add, remove, or change text-based content, and social bookmarking sites allow users to collect links to Internet sites and rate their quality. The top wiki sites include Wikipedia, Yahoo Answers, About, and Answers. Sites that feature consumer reviews include Yelp and Quora. Some of these sites do not completely reflect wikis, but their format resembles the idea of a collaborative project for the most part since users respond and converse on a multitude of topics.

Wikipedia does not accept advertising and encourages an active debate on its merits.⁴⁹ Answers.com offers extensive placement options and provides a comprehensive media kit describing the standard and custom formats; this is similar to other social media and Internet sites that are not social media, as discussed in the advertising section.⁵⁰ These kinds of collaborative question and answer sites appear conducive for both positive and negative brand communication effects, as consumers are communicating a testimonial by contributing their consumption experiences, which may or may not resonate with readers.

Top social bookmarking sites are Pinterest and Reddit. What social media vehicles to include on this list demonstrates the difficulty with exact classification given their overlapping features with other social media, however the bookmarking feature is the most noteworthy and these social media vehicles are identified as the main ones. It should be noted that Reddit could fit in the news column and Pinterest could fit in the content column of the social media table in **Figure 18-1**. These examples show the limitation of establishing a clear picture for social media classes for planning messages in social media.

Reddit provides instructions for how would-be advertisers can place ads alongside the content, while others appear not to offer advertising at all. The user-generated content is quite fascinating from a marketing communication standpoint. For example, extensive lists of bookmarks of Internet sites on a site like Delicious appear very similar to a list of links from a search engine. Additionally, one might construe it as a list of link ads such that the whole site is merely a collection of ads. Alternatively, one could even view it along the same lines as a directory. In either of these cases, the user-generated content appears as if it were advertising of sorts, placed by the advertisers. However, since this “content” was placed by regular people known as “users,” this would constitute non-advertising. Of course, all of this gets terribly complicated if the regular person is in fact paid by the advertiser, or its agent, to make the posting.

EXHIBIT 18-16 Pinterest photo images provide opportunity for stylish brand expression.



©Bloomua/Shutterstock

A site like Pinterest permits repurposing of Internet content by users through a simple process of “pinning” images that retain the original link. What more could a brand ask for than for its customers to select photos from the Internet and comment to show others how great the product is? In its literature to explain how businesses can use this social media, Pinterest cites the example of Sephora, where the retailer noticed that consumers selected pictures from its company Internet site and “pinned” them—which, of course, encouraged others to visit its site.⁵¹ This is another example where “advertising material” became “social media content” as users moved it from one digital location to another. Sephora took advantage of this by adjusting its site with “Pin It” buttons to foster further postings in the social media and sent emails to encourage registered customers to do more pinning. As this suggests, certain aspects of brand messages in social media occur because of consumer initiative, while others are responses to concerted marketing communication efforts by the brand. In either case, Pinterest imagery appears to be a good way to establish owned and earned media (**Exhibit 18-16**).

IMC Perspective 18-2 summarizes a trend of using augmented reality in social media. In particular it highlights how Snapchat is one leader for this emerging way to communicate. Applying the ideas of **Figure 18-1**, Snapchat would likely be listed within the communication social media class despite its strong characteristic for sending pictures. Once again there is difficulty in exactly classifying social media, which offers many innovative opportunities for brands communicating with target audiences.

IMC PERSPECTIVE 18-2

YOUR REALITY IN AUGMENTED REALITY^c

Augmented reality (AR) hit social media big time and brands like Nissan, Goldfish, Ford, McDonald’s, and IGA experimented with fun routes to enhance social media engagement.

In conjunction with the release of a Star Wars movie, Nissan created an AR app experience in dealerships where consumers saw its cars transform and appear in Star Wars environments with droids, stormtroopers, and other iconic characters from the movie. The AR allowed consumers to experience Nissan’s Intelligent Mobility safety and driving-assistance-related technologies: ProPILOT assist, automatic emergency braking with pedestrian detection, blind spot warning, rear cross-traffic alert, and intelligent around-view monitor. While not executed in social media, the experiences led to considerable social media engagement and news media publicity.

Snapchat is a popular alternative, with its lenses that use augmented reality, facial recognition, and visual effects. With a skew toward younger people from its 8.5 million users, the messenger service considered its AR a key feature for social media engagement. Goldfish created a “scavenger hunt” within a gamified Snapchat lens in which users found 10 Goldfish Flavor Blasted crackers hidden behind 3-D objects. Ford brought the showroom to young adults who are less likely to visit. Snapchat’s AR allowed users to see a virtual interior/exterior tour of its EcoSport and achieved 1 million views the first day and 3 million views overall. McDonald’s teamed up with Snapchat AR for its promotion. Users scanned a transit

shelter ad to view a 3D version of a golden door on which a hand knocks to reveal a \$5 coupon for McDelivery via Uber Eats or SkipTheDishes.



©Image Press Agency/Alamy Stock Photo

IGA employed Facebook’s AR for CSR support of the Charles-Bruneau Foundation to raise funds for children with cancer. Five versions of family-friendly temporary tattoos are available and applied to the skin; the AR enlivens the image for a virtual experience. The tattoos sold for \$2 and other media partners offered exposure in many media. The agency implementing the PR discovered better usage rates with an established AR app since

it did not require additional downloads for execution. The simpler convenience of this allowed greater acceptance and stronger fundraising.

QUESTION

1. What other goods or services could creatively use AR in social media?

LO5 Social Media Influence

Social media is communication among people mediated by technology. It quickly attracted consumers who shop, talk about their purchases, and relate their experiences with branded goods, services, people, and ideas, all of which are the product elements of the marketing mix. Simultaneously, social media opened up communication between consumers and organizations who market products and try to influence their audiences with paid, owned, and earned media exposure. On the supply side, agencies developed a social media influencer division. Klick established Klick Influence to offer dedicated services for their clients to build a social media influencer component to their IMC plan.⁵² Earned media exposure existed well before social media, but social media opened up many avenues for consumers to communicate positive and negative user-generated content through eWOM as part of their engagement, as highlighted in this chapter.

A social media influencer is one type of consumer who emerged digitally. At first this seemed innocuous. A person claims to be an expert of sorts and offers opinions about products in a blog or displays their consumption conspicuously in photos or videos. They appear like any regular consumer communicating to another consumer. What is wrong with that? However, concern by consumers and regulators arose when social influencers received payment for their public endorsement. According to their view, such a message resembled a paid ad (think TV commercial) where the social media influencer acted as a spokesperson who communicated on behalf of a brand.

For example, the Federal Trade Commission in the United States fined Lord & Taylor, a division of the Hudson's Bay Company, for not disclosing its advertising intent in social media. The fashion retailer paid 50 popular Instagram users and gave them a dress; the users then posted a photo in which they wore the new outfit. The FTC ruled that consumers have a right to know when they are seeing paid advertising.⁵³ This point is consistent with decades-old media and advertising policies in North America and most countries worldwide. In Canada, the *Competition Act* identifies social media influencer messages as advertising, and in 2015 the Competition Bureau enforced a fine on Bell when an employee wrote a favourable product review without disclosing their employment status; what looked like earned exposure in social media was in fact paid advertising.

Payment to social media influencers is substantial for popular stars; one claimed he could charge a brand \$2,000 to \$6,000 to share two sponsored photos on his Instagram account.⁵⁴ In this case, an influencer is following guidelines suggested by government regulators and industry self-regulators. **Chapter 19** summarizes how Ad Standards (AS) is responsible for administering advertising self-regulation in Canada. AS published disclosure guidelines for advertisers to follow that are consistent with the *Competition Act* and laws and guidelines from the FTC in the United States.⁵⁵ The guidelines say that any endorser, reviewer, influencer, or person making a representation must disclose any “material connection” between themselves and the entity (e.g., advertised brand). Material connection refers to money, products, discounts, or gifts. Thus, AS is focused on social media engagement activities where the influencer sends messages with an advertising intent but it is not completely clear to the receiver that it is in fact an ad without the disclosure.

One guideline focuses on the hashtag (which should be #ad, #sponsored, #brandname_ambassador, #brandname_partner), and the hashtag should avoid ambiguous types (like #ambassador, #partner, #spon, #PR, #promo, #collab, #sp) or fabricated misleading ones. The hashtag should be clearly seen and not lost within a long list of hashtags. Disclosures should clearly attract the attention of the receiver no matter the social media placement. In the case of video, disclosure should be at the start, and ideally placed a few times and communicated with video and audio. A blanket disclosure embedded in the profile is not acceptable, and the disclosure should be in close proximity to the main copy and before potential action such as a link. The actual material connection should be communicated, and influencers should not rely on tagging a brand or ambiguous phrases. The report cited above also applies these to specific examples for YouTube, Instagram (gifted product, event, paid collaboration, stories), Snapchat, Twitter, and blogs.

The importance of these guidelines is quite significant. In the cosmetics category, research indicated that shoppers engage with social media to see the latest trends, products, styles, and brands, and specifically key in on influencers who recommend anything along these lines. In addition, direct to consumer brands (e.g., direct marketing) popped up in a number of personal care product categories and they capitalized on social media for exposure, especially with influencers presenting and endorsing their products. Research found that 55% of women enjoyed shopping online for cosmetics, and 35% read social media reviews before buying in stores.⁵⁶

A Budweiser example illustrates the importance of the guidelines in another way. The company invited influencers to its facilities to learn about its brewing process. Influencers received Blue Jays tickets and a promotional item but no money, and Budweiser did not require any social media posts. The program resulted in 1.1 million impressions from 120 posts. In this case, there is a material connection and the new guidelines expect the influencers to acknowledge it in their posts, although this occurred just prior to the guidelines' release.⁵⁷

Experts estimated the payments to social influencers topped \$1 billion in Canada by 2018. To put this into context, this is as much spent on out-of-home and magazine advertising combined, and equal to the amount spent in newspaper advertising during 2017. One company, #paid, acts as a broker between advertisers and social influencers; it seems both sides are learning and rely on outside help at present. It represents about 20,000 social influencers, of which 6,000 are Canadian. A payment formula/system determines the price but the following factors contribute to the tally: number of followers, type of message (post, photo, video, story), and use of the message and influencer in other media (TV, print). Because of its visual characteristic, Instagram is the most sought after social media vehicle and the influencers design the ad so it fits their image and page.⁵⁸ **IMC Perspective 18-3** illustrates examples of major brands adding social media influencers to their IMC plan.

IMC PERSPECTIVE 18-3

INFLUENCE OF SOCIAL-MEDIA SOURCES^D

Everyone is talking about social media influencers in the advertising world. However, research indicated that only 23% of Canadians trusted an ad from them. And Unilever stopped using influencers, celebrities, and social media stars who appeal to children under 12 in their communication plans. In addition, the international brand ceased all food and beverage advertising to children. Despite the research and a difference in views, notable big brand names like Shoppers Drug Mart, Sobey's Voila, Tre Stelle, Lay's, Ruffles, KFC, Triple O, and Pet Value added influencers to their social media plans in 2022.



(left): sergey causelove/Shutterstock, (right): Asia Evtyshok/Shutterstock

Shoppers Drug Mart established a beauty shop adjacent to its larger format stores years ago and continued to introduce hot fashion brands to its shelves. Function of Beauty from New York represented the newest addition with its customized line of hair care products. The launch featured a significant TikTok campaign with notable social media influencers. Specifically, the influencers hosted live events to showcase the brand. Combined with this, Shoppers launched many exclusive beauty brands on its owned social media to let its customers know first.

Sobey's grocery delivery service Voila partnered with notable food influencers to find out their latest recipe creation. In the past, popular food recipe fads created stock outs at grocery stores! The partnership aligned with the influencers so that viewers could click and directly link to a shopping cart with the ingredients preloaded for easy purchase. Voila instantly received sales from numerous new customers.

A few food brands turned to specialized foodie influencers for new product launches. Tre Stelle introduced a cream cheese product to complement its existing product line with in-store point-of-sale messages and coupons and a sampling program with a bagel at popular cafes. Tre Stelle invited five foodie influencers to promote the taste and spreadable benefit. Lay's introduced two Chinese-inspired flavours to their product line with in-store displays with relevant cultural colours and imagery. The strategy included use of a social shopping media in which influencers tried the product and communicated to first-generation Chinese Canadians. Ruffles teamed up with KFC to introduce chips with the iconic chicken coating recipe of 11 herbs and spices. A teaser message originated in digital out-of-home media with subsequent messages in out-of-home and social with active influencers who helped achieve 10 million impressions.

BC-based quick service restaurant brand Triple O balanced both brand building and promotion-focused IMC programs. Recently, Triple O launched a microsite so consumers could reserve an "OOO Hour" instead of a lunch hour. Note that the "OOO Hour" played on both the brand name and the short form for "out of office" to remind consumers to take a lunch break rather than eating at their desk. From a promotion standpoint, Triple O regularly partnered with radio stations for on-air giveaways and turned this idea to social media influencers.

QUESTION

1. Which brand would most benefit from a social media influencers?

While a social influencer with a large number of followers seems ideal, advertisers succeeded with influencers with smaller numbers (50,000 or less). One agency reported 60% higher engagement rates with higher quality responses, and seven times more cost-efficiency. Another one found engagement rates at 11% for influencers with 2,000 followers, 3% for those with 25,000 followers or fewer, and 2% for those with 100,000 plus followers. With this kind of success, advertisers work with many small influencers to maximize reach and target multiple audiences with specific messages rather than one influencer with many followers and one message.⁵⁹ This information supports the general point of target audience accuracy being very important for media decisions, much like it has been with other media for decades.

Finally, Tangerine provides an example of a comprehensive social media influencer plan. The online bank selected three target audiences: up-and-coming adults aged 27–34, parents with young children, and boomers set to retire. Tangerine identified social media influencers for the groups: Bridget Eastgaard (young adults); SavvyMom, UrbanMom, and The Baby Post (parents); and Boomer and Echo (retired). Tangerine's PR agency worked with the company and the influencers to ensure a smooth execution. Tangerine retained final control on technical content, but other than that, the influencers received free rein on their approach. The influencers sent over 200 pieces of content to these three groups to strengthen their financial literacy with approaches such as in-person events, Facebook live sessions, and written and video blogs. A total of 10 million impressions resulted during the two-month campaign.⁶⁰

LO6 IMC Planning: Strategic Use of Social Media

Social media engagement is a defining characteristic, making it distinct from placing text, video, and audio ad messages in Internet media. This engagement represents the feedback stage within the communication model shown in **Figure 4-1**. Consumers return ad messages with selfie photos featuring their product usage. They summarize their experience with video messages for all to see. And we cannot forget the power of the written word, as they write about products seemingly everywhere. In short, consumers communicate back to advertisers with social media messages that almost mirror what they received.

While summarizing a few of the major social media players, we see ample opportunity for customers and non-customers to interact with those who deliver messages. As was done with Internet media, we summarize issues promotional planners consider when constructing a social media plan as suggested in **Figure 1-7**. And while social media features considerable consumer feedback which suggests no need for planning, we conclude that social media is too important and too powerful not to make a plan.

The first planning issue is the alignment of target audience and objectives, as we have seen throughout the text. In this case, the challenge for promotional planners is to select the correct social media class that fits the target audience and allows for the achievement of the most relevant objective. The social media classes of **Figure 18-1** are a starting place, along with the six general ones identified in the first section (networking sites, content communities, blogs, collaborative projects, virtual game worlds, and virtual social worlds). In addition, planners decide which social media vehicles need to be selected, as shown in **Figure 10-2**.

A second planning issue concerns how a promotional planner balances the paid, owned, and earned elements of each social media class and social media vehicle. For example, brands use one social media vehicle for paid exposure to ensure exposure for owned social media.

A third planning issue pertains to the type of IMC program executed within social media. We see examples where social media communicates and delivers a sales promotion (such as the McDonald's coupon). Some social media encourage CSR activities (like the IGA example). And at times, social media is key for managing PR and publicity. Social media is part of direct marketing efforts where businesses use social media as the first step in direct selling.

A fourth planning issue is how social media are part of a complete IMC program to influence consumers in all phases of decision making. Planners might want to consider how Facebook messages through paid, owned, and earned channels might affect need recognition or post-purchase evaluations, for example. Alternatively, monitoring and responding to consumer photos in Instagram provides an understanding of consumer usage and gives opportunity for brands to respond to consumers during consumption.

A fifth planning issue pertains to all the questions associated with social media influencers. Who is the most persuasive social media influencer for a target audience? What task does a brand expect from the social media influencer? How does the social media influencer communicate to followers about a brand? When does the social media influencer communicate? Are there geographic considerations?

A final planning issue is to figure out a way to tap into the resources of the many online connections consumers have through their friends in social media. Social media engagement occurs with communication of users within each social media vehicle and it is likely that the dynamics within various networks influence the message content and delivery.

Learning Objectives Summary

LO1 Identify social media communication.

This chapter demonstrated many ways advertisers communicate in social media. From the perspective of media planning, these domains represent different media classes with specific media vehicles in each. For example, within the video media class, YouTube clearly dominates, but other video hosting sites are available and offer paid, owned, and earned options for communicating. The general idea of this point is relevant to consider for other social media, and promotional planners might also consider the degree of attachment the users experience within the ones selected for communication.

Social media engagement is an important characteristic that advertisers encourage with their IMC plans, and social media engagement occurs independent of any direct effort by motivated consumers. Advertisers are generally interested in the type and amount of social media engagement since it presumably represents a degree of brand affinity leading to positive or negative eWOM.

Finally, social media usage grew significantly for a decade and there is an indication that it reached a plateau to a degree, however there is considerable variation in the usage by age groups, and other segmentation variables not shown in the chapter due to space limitations. Promotional planners would want to investigate this prior to committing resources.

LO2 Review social networking.

This chapter reviewed social networking by presenting paid, owned, and earned approaches to communication within Facebook and Twitter. The importance of identifying all three is to remind managers to plan their promotional communication accordingly. For example, if there is a paid ad in Facebook, what would a support message be on the brand page, and what type of communication would a brand deliver depending on the user-generated content that consumers put forth?

LO3 Illustrate content communities.

The chapter took the same approach for YouTube and Instagram as it did for Facebook and Twitter to suggest that promotional planners have numerous decisions to recommend prior to executing their social media communication plan. The chapter also presented social media engagement statistics for all four to provide guidance on the current behaviour to set realistic objectives.

LO4 Describe blogs and collaborative projects.

Blogs and collaborative projects such as wikis and bookmarking sites are another form of social media, although they tend to get less publicity compared to the big four mentioned. However, they too offer a degree of paid, owned, and earned delivery of messages for a target audience. As our social media knowledge evolves, it is likely that these media classes will be reconfigured.

LO5 Investigate social media influence.

Prominent and active users establish a social media persona that elevates them such that others will follow their postings and actually rely on their point of view for their shopping information needs. Known as social media influencers, these people retain brands as clients and charge for positive social media engagements. Some are quite prolific and make a lot of money as brands solicit their partnership. The concept of an influencer in marketing is not new since marketers planned for communication in the past knowing the effects of people within group decision making. What is new is the public nature of social media influencers and the frequency with which consumers receive an ad-like message from a social media influencer.

In response to this newer form of advertising, regulators provided a series of guidelines social media influencers should adhere to for ethical and legal communication. Prominent among the guidelines is the fact that social media influencers should disclose the material remuneration received for their positive brand reviews to avoid fines. Other additional guidelines suggested how the social media influencer should communicate the relationship.

LO6

Apply the use of social media within an IMC program.

Social media requires a clear plan like any other aspect of the IMC program, with a target audience and objectives, and a creative message with important tactics. Given the vast number of social media available, a promotional planner would want to establish media strategy and tactic decisions as well. Social media is used for advertising, sales promotion, direct marketing, and PR purposes, so the strategic intent is another planning point for managers to factor into their decisions. Whether paid, owned, or earned characteristics are developed or encouraged is another decision to establish, as is the degree to which a brand involves a social media influencer in the campaign.

Review Questions

1. What is social media engagement? How does social media engagement vary within different social media classes?
2. Identify how Facebook offers paid, owned, and earned media for advertisers.
3. Identify how YouTube offers paid, owned, and earned media for advertisers.
4. In what way is Snapchat a good social media vehicle for earned ad messages?
5. Explain why social media influencers are effective.
6. How does social media fit within an IMC plan?

Applied Questions

1. Select a favourite social media site for a brand and investigate how it achieves the communication objectives.
2. Visit a number of Facebook brand pages and evaluate the effectiveness of the brand posts in terms of creativity, message, and ability to reach the intended target audience.
3. Visit a number of Instagram brand pages and evaluate the effectiveness of the brand posts in terms of creativity. How do they compare to the equivalent in Facebook?
4. Read up about a favourite music artist on Wikipedia. Is it possible to view the content as earned media?
5. See the postings of many social media influencers and evaluate whether they are adhering to the guidelines set by Ad Standards.
6. Select a product of interest and explain how a particular social media vehicle could be effectively used for paid, owned, and earned exposure.

CHAPTER NINETEEN

Evaluating Issues for IMC



Backyard Productions / Alamy Stock Photo

LEARNING OBJECTIVES

- LO1** Describe Advertising Standards, the organization responsible for industry self-regulation in Canada.
- LO2** Evaluate the ethical views of advertising.
- LO3** Explain the social impact of advertising.
- LO4** Examine the economic effects of advertising.

Advertising Restrictions for Vaping^A

The growth of vaping and e-cigarettes and vaping-related lung illnesses prompted the Government of Canada to take action. Proposals included significant control over marketing and advertising akin to what occurred with tobacco cigarettes decades ago. The end result was the Tobacco and Vaping Products Act released in 2018. National health organizations did not fully agree with this direction. And a year later, six founding members involved in the production and distribution of the products established the Vaping Industry Trade Association (VITA) to lobby against possible further regulations. VITA hired PR agencies to communicate its position that regulations should prevent youth from purchasing vaping products yet allow manufacturers to advertise to current product users.

One contentious issue is allowing vaping producers to advertise that the products are less harmful than cigarettes. In effect, a producer could claim that a smoker switching completely from cigarettes to vaping would reduce harm to one's health. Medical specialists and health organizations countered this view by suggesting that research did not support such advertising claims. However, Health Canada's website clearly communicated that vaping is less harmful than smoking cigarettes.

The issue became more complex and complicated when provincial governments instituted their own regulations. For example, Ontario prevented advertising in convenience stores and gas stations after initially permitting such activity; however, advertising could still occur in outdoor and transit media. In contrast, Quebec, Manitoba, and Prince Edward Island banned all public advertising. But Alberta, Nova Scotia, and British Columbia focused on other regulations regarding taxes and distribution.

A third issue concerned advertising to youth, where data indicated that 40% of those aged 16–19 had tried vaping.

The regulations prevented the industry from targeting young consumers and using lifestyle message appeals and specific ad executions (i.e., testimonial, personality symbols, animals) to influence them. However, examples emerged, especially in social media, that possibly contravened the laws. One social media influencer performed “smoke tricks” and offered free products for those who followed the profile. Another social media influencer promoted a brand significantly with product imagery but later disbanded vaping clients. Vaping producers communicated programs and offers to recruit social media influencers. People also commonly saw messages posted in owned social media pages. Another example occurred in trendy outdoor locations where vaping brands set up various types of marketing and sampling events; however, Health Canada investigators shut down the operations.

Subsequent to the positions communicated by the industry and medical organizations, the federal government announced that it intended to revise the laws. The new regulations would ban all forms of vaping advertising that could be seen by youth in social media and in public locations. Despite the advertising implication of vaping, the product flavours marketed also muddled the debate. The industry saw the unique flavours as a way of switching cigarette smokers to vaping products while critics saw the flavours as a way of enticing youth, even though brands could not advertise youth-oriented flavours such as birthday cake or other desserts. As expected, the new regulations came into effect less than a year after the industry established VITA. Health Canada warned stores from advertising to youth and announced a “crack down” to prevent further ad exposure of vaping brands to youth.

Question

1. What is your opinion about the issues surrounding vaping and its advertising regulations?

Not everyone shares the positive view illustrated in this text regarding advertising. The perspective of this book sees advertising and promotions as marketing activities used to convey information to consumers and influence their behaviour in an appropriate manner to facilitate a mutually satisfying exchange. However, advertising is a visible business activity that receives legitimate scrutiny from scholars, economists, politicians, sociologists, government agencies, social critics, special-interest groups, and consumers.

As such, this text would not be complete without evaluating ethical, social, and economic issues associated with advertising in this chapter. Advertising self-regulation in Canada is summarized as background information before examining these issues. The perspectives presented reflect the views of people with various backgrounds, values, and interests. Some students may see advertising as harmless, while others may question some ads on ethical grounds. Arguments from both sides of these three issues allow individuals to draw their own conclusion.

LO1 Ad Standards

Ad Standards (AS) is an independent not-for-profit organization responsible for administering the advertising’s industry self-regulatory guidelines.¹ AS represents 220 members comprised of major advertisers, media organizations, and advertising industry suppliers (e.g., ad agency). Brand messages arising from some Internet sources are not covered by these guidelines. For example, product review sites or brand evaluations on blogs are not considered advertising, even though an influencing effect on consumer opinion occurs. This section reviews the Canadian Code of Advertising Standards, summarizes the complaint process and data from recent annual reports, identifies the case history of notable AS decisions, and reviews the clearance procedures AS provides to advertisers.

THE CODE

EXHIBIT 19-1 Calvin Klein ads depict women in sexual poses.



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EXHIBIT 19-2 Calvin Klein ads depict men in sexual poses.



©Lars A. Niki

The Canadian Code of Advertising was established in 1963 by the advertising industry to set the criteria for acceptable advertising. Presently, AS periodically updates its content, and uses the “Code” to adjudicate complaints and assess ads prior to media exposure. According to AS, “Advertising is defined as any message (the content of which is controlled directly or indirectly by the advertiser) expressed in any language and communicated in any medium to Canadians with the intent to influence their choice, opinion or behaviour.” The Code pertains to the content of ads only. It does not limit the promotion of legal products or the demonstration of products for their intended purpose. The intention of the Code is to provide standards so that responsible and effective advertising results without minimizing the right of firms to advertise. It does not supersede any laws or regulations.

The Code provides the criteria to assess whether a complaint is legitimate or not, and AS is very clear in how it uses the Code to resolve complaints. “The context and content of the advertisement and the audience actually, or likely to be, or intended to be, reached by the advertisement, and the medium/media used to deliver the advertisement, are relevant factors in assessing its conformity with the Code.” The Code is supported by all member organizations as it sets the standard for advertising with respect to honesty, truth, accuracy, fairness, and propriety. Members are expected to follow the Code both in letter and in spirit and are expected to substantiate any advertised claims when requested. The Code contains 14 clauses as shown in **Figure 19-1**.

Clause 14 is one that arises as a source of concern in the annual complaints reports published by AS. The Calvin Klein ads in **Exhibit 19-1** and **Exhibit 19-2** convey themes of passion or overt sexuality but would be considered acceptable portrayals of women and men according to the content of Clause 14.

Figure 19-1 Advertising Standards Code

1. Accuracy & Clarity	8. Professional/Scientific Claims
2. Disguised Advertising Techniques	9. Imitation
3. Price Claims	10. Safety
4. Bait & Switch	11. Superstitions & Fears
5. Guarantees	12. Advertising to Children
6. Comparative Advertising	13. Advertising to Minors
7. Testimonials	14. Unacceptable Depictions & Portrayals

Clause 1 is another that also arises as a source of concern in the complaint reports. Much of its content is derived from the federal Competition Act that prevents false or misleading advertising. Significantly revised in 1999, most of the act contains civil provisions to ensure compliance with the act rather than to seek punishment. In this situation, the goal is to remedy the situation with the most appropriate solution, such as a cease-and-desist order. Some criminal provisions still exist for the most serious offences, where false advertising occurred knowingly. Enforcement of the act falls under the jurisdiction of the Competition Bureau of Industry Canada. In 2009, the Competition Act underwent revision with respect to deceptive marketing, items pertaining to pricing, and some other amendments. In particular, the fines for misleading representation in advertising increased substantially for non-criminal offences. Some examples of what is not permissible are shown in **Figure 19-2**.²

Figure 19-2 Advertising and marketing law in Canada

Guideline	Advertising Claim	Misleading Content
Cannot make false claims	Buy this vacuum and get a year's supply of vacuum bags absolutely free	There is a \$12 administration fee for the vacuum bags
Even if claim is true, do not give false impression	Drive away in a Corvette for just \$39,000	The visual display is a version with a sport package and costs \$50,000
Avoid double meanings	Number one in the category	Best in sales, but not in quality
Disclaimers should not contradict headlines or body copy	Don't pay a cent until 2022	Fine print says "except for taxes and \$750 freight"

Source: Adapted from *Advertising and Marketing Law In Canada*, Brenda Pritchard and Susan Vogt, LexisNexis, Butterworths, 2015.

AS released “interpretation guidelines” over the years so that members could understand how AS evaluates ads in terms of specific codes or advertising trends.³ The first guideline (2003) concerned the use of humour and fantasy in ads. The second guideline (2004 to 2007) provided extensive documentation on advertising to children pertaining to Clause 12. Environmental claims and how they are related to Clause 1, the Competition Bureau, and the Canadian Standards Association comprised the third (2021) guideline. The fourth guideline (2009) concerned Clause 12 with respect to motor vehicle advertising. The previous chapter reviewed the fifth (2020) interpretation guideline with the testimonial endorsement topic in social media. The sixth guideline (2020) explains the differences among government, political, election, and advocacy advertising. AS applies the code for government and advocacy, but not the other two.

COMPLAINT PROCESS

Consumer complaints are those from ordinary citizens who believe that an ad is unacceptable. AS receives these complaints directly as well as through government departments and agencies at all levels, such as the Better Business Bureau, the CRTC, and the Canadian Broadcast Standards Council. **Special interest group complaints** are those from a demonstrated organization that expresses a unified viewpoint. Complaints from other advertisers are known as **advertiser disputes** or trade disputes. While there are distinct complaint processes for consumers and special interest groups, the general procedures for each have a degree of similarity. One difference, however, is that AS first determines that the special interest group complaint is not a disguised trade dispute.

The initial complaint is authenticated to make sure that it is, in fact, a consumer or special interest group complaint and not an advertiser dispute. From there, the complaint is evaluated to determine whether it truly violates a Code provision or whether it is not a legitimate complaint. Reasons for a complaint not being legitimate include that the complaint did not identify a specific advertiser, that the ad was no longer current, and that the communication was not advertising. If the complaint is valid, the advertiser is contacted and has an opportunity to respond to the complaint before the Council makes a formal ruling. On the other hand, the advertiser can take an appropriate action to remedy the complaint as part of the response. In these cases, the advertiser would not be identified in the AS complaints report. An advertiser who responds and does not remedy the situation can be identified in the report if the Council upholds the complaint.

While the above general approach existed historically, and still does, AS instituted a couple of revisions for certain clauses in 2012. For Clauses 10 and 14, AS acts as an intermediary between the complainant and the advertiser so that both can see one another's point of view for resolution prior to the Standards Council involvement. For Clauses 1 and 3, AS administratively resolves these concerns as sometimes they are due to minor human error that can easily be corrected. For advertiser (or trade) disputes, there is a formal adjudication procedure where each party represents its point of view at a hearing if an initial first-stage resolution is unsuccessful. An appeal of the decision is possible, but eventually there is a resolution if an advertiser

is found in violation. As members of AS, they follow the recommendations of AS similar to the consumer and special interest process. Sometimes disputes get handled before a complaint is received by AS. Bell media withdrew ads on street furniture that criticized Canada Goose and cited the code as they reason for making the decision.⁴

AS publishes a comprehensive annual report that includes the identification of advertisers and the details of all complaints. **Figure 19-3** shows a capsule summary of the past few years. For each statistic, the first data point is the number of complaints, while the second in parentheses is the number of ads those complaints represent. The ratio of the number of complaints to the number of ads indicates that the number of complaints per ad is fewer than two. This underscores the fact that the content of the complaint is justification for investigating an ad. The source of the most complaints in 2019 occurred with Clause 1 and Clause 3 that combined for 852 complaints, Clause 14 for 488 complaints, and Clause 10 for 214. Complaints by media showed television (604), out-of-home (467), digital (408), and direct marketing (88).⁵ Ads that achieved notoriety are now summarized from past reports found at the AS website.

Figure 19-3 Summary of annual complaints from Ad Standards

	2017		2018		2019	
Number of Complaints (ads)						
Received by AS	1,808	(864)	2,005	(1,205)	1,858	(1,142)
Accepted and reviewed	1,172	(832)	1,252	(747)	949	(700)
Raised potential issue	442	(236)	481	(167)	351	(267)
Administratively resolved	224	(164)	125	(104)	no data	(217)
Evaluated by Council	218	(72)	356	(63)	no data	(50)
Upheld by Council	173	(46)	323	(35)	94	(37)
Sources: https://adstandards.ca/wp-content/uploads/Ad-Complaints-and-Disputes-Report-2019.pdf ; https://adstandards.ca/wp-content/uploads/2018/08/2017adComplaintsReport.pdf ; https://adstandards.ca/wp-content/uploads/2019/04/AdStandards-2019-complaints-report-EN.pdf .						

COMPLAINTS FOR DEBATE

One of the most controversial rulings occurred in 2001. A Ford Motor Company TV ad showed a young female shoving a male store clerk into the hatchback of her car and driving away with him. This ad received nine complaints and the Council upheld them, citing Clause 14 as the ad depicted an abduction, which is an unlawful activity. Ford appealed the decision; however, the Appeal Panel confirmed the original decision. Ford's post-appeal statement makes this example an interesting debate:

Ford of Canada did not intend to offend any segment of the population in this particular advertisement; rather the aim of the ad was to show the attributes of the Focus. The identical advertisement shown in Quebec (both in English and in French) was determined not to contravene the *Code* by the Consumer Response Council and Appeal Panel in Quebec. Particulars of this complaint were provided to the press by a consumer complainant even though this process is intended to be confidential. Subsequent to the Appeal Decision, Margaret Wente, in a lengthy *Globe and Mail* article dated January 31, 2002, gave strong positive support for the ad. However, in light of the decision of the Ad Standards Appeal Panel, Ford of Canada will withdraw the current English advertisement.⁶

In early 2004, a television ad for an alcohol beverage depicted two women engaging in a passionate kiss. The 113 complaints indicated that the scene was inappropriate for family viewing programming. Council upheld this complaint, stating, "the commercial displayed obvious indifference to conduct or attitudes that offended standards of public decency prevailing among a significant segment of the population." Council concluded that the ad in question did not contravene the Code provided that it was shown later than 9:30 in the evening.

A Kia Canada television commercial caused controversy during 2007 and received 77 complaints from individuals and those in the law-enforcement profession. The advertised vehicle contained two adults "making out," after which the woman returned to a police car wearing an officer's uniform. Council upheld the complaint citing Clause 14(c) and concluded that the ad demeaned female officers in particular and all law-enforcement officials in general. Kia responded to the complaint with the following statement:

As a responsible advertiser, Kia Canada Inc. [Kia] is aware of Ad Standards guidelines, of which its media service agencies are members, and strives to adhere to the spirit of which they have been written. While not in agreement with the Council's final decision, Kia respects it and the process by which it was achieved. Kia believes it has responded to the subject of the complaints by making revisions to the commercial in question, and in adherence to the Advertising Standards Code.⁷

However, Kia's concern became more public when it ran an edited version of the ad that did not show the woman leaving the car. Instead, words on the screen announced a more suitable ending to the commercial for all audiences. The final scene featured a goat eating in a meadow for 10 seconds while light-hearted music played. The interpretation of this revised ending is a debate for interested students!⁸

Also in 2007, the council determined that certain Dairy Queen ads showed an unsafe act and reinforced bullying behaviour as the TV ad characters restrained others while eating Dairy Queen ice cream. The response from managers of the brand appears to suggest caution to advertisers with co-branding messages:

Dairy Queen is all about creating smiles and stories for families and often uses irreverent, off-beat humour in its commercials. The Kit Kat commercial was meant to accentuate in a humorous way how families interact in a playful manner. Although we are not in agreement with the Council's decision, we are respectful of the process.⁹

An ad from Auto Trader, part of an overall campaign that compared buying a used car online to meeting another person with an online dating service, received only six complaints. However, the complaint, the council decision, and the advertiser statement cover new ground:

In a television commercial, a man and a woman met in a coffee shop for the first time. After exchanging names, the woman asked the man if she could "take a quick peek". The man obliged by lowering his pants so the woman could look at his private parts from various angles. In the audio portion of the commercial the announcer said that "You can do that on Auto Trader—where you can research your car before you buy it."¹⁰

The complaint alleged that the ad depicted a demeaning portrayal of men and offended standards of public decency. The council agreed with the latter point but concluded that the ad denigrated both men and women. Auto Trader's rebuttal statement took into account the media time frame and media vehicle, two critical points that AS highlighted in previous rulings for more acceptable adult messages. It also concluded that the ad played on *World's Funniest TV Commercials*, shown on TV during prime time, which makes this an interesting case to debate.

Finally, a steakhouse received 62 complaints for its ad that depicted a woman wearing lingerie and a mask in front of a flaming stove with chefs working in the background. The message associated with the image asked, "How do you like your meat?" Obviously, this inappropriate and demeaning ad contravened Clause 14.¹¹

Overall, these cases illustrate milestones during the history of AS decisions. They show disagreement between AS administrators (i.e., Ford), one of the most numerous complaints ever (i.e., alcohol beverage), the most unexpected reaction from an identified advertiser (i.e., Kia), a difficulty with co-branding (i.e., Dairy Queen), a persuasive rebuttal (i.e., Auto Trader), and a significantly egregious ad (i.e., steakhouse) that received the most complaints ever for the Clause 14.

CLEARANCE SERVICE

AS provides clearance service for ads for product categories and ads directed toward children for all jurisdictions except Quebec ensuring that advertisers follow applicable legislation, regulatory codes, and industry standards.

Alcohol

AS adheres to the CRTC Code for Broadcast Advertising of Alcoholic Beverages. The CRTC disbanded clearance services in 1997 and AS subsequently adopted responsibility. AS publishes an Alcoholic Beverage Advertising Clearance Guide based on the CRTC code. This publication provides 19 guidelines within six topics on what is not permitted in alcohol ads. Some of the guidelines pertain to not attracting underage drinkers, non-drinkers, or problem drinkers. Other guidelines focus on the message with respect to the type of consumption motivation, consumption situation, source, and appeal. AS provides a copy of the guidelines that alcohol distillers follow regarding social responsibility, adult audiences, post-secondary institutions, drinking and driving, consumption, good taste, and a few others. AS provides a designated stream of evaluation for complaints on this topic. The ability of AS and governments to control alcohol messaging in the digital world is a significant future challenge. Alcohol brands are adopting the services of digital partners to offer promotions and prizes within various forms of content delivery such as streaming, TV, mobile, and gaming apps.¹²

Cosmetics

Health Canada transferred the clearance for cosmetic product ads to AS in 1992, although clearance is not an absolute requirement. AS follows the Guidelines for the Nonprescription and Cosmetic Industry Regarding Non-therapeutic Advertising and Labelling Claims. The guidelines are organized in terms of non-therapeutic and therapeutic/health claims that are acceptable for the following product categories, antiperspirants, hair care, nail care, intimate products, oral care, and skin care. Therapeutic claims also require clearance from Health Canada.

Health Products

Health Canada also transferred the clearance of non-therapeutic aspects of non-prescription drug ads directed toward consumers to AS in 1997. Over the years, its responsibility expanded to advertising of natural health products, vaccines, medical devices, and prescription drugs. AS publishes Guidelines for Consumer Advertising of Health to ensure that advertising complies with Health Canada's regulations. The guidelines focus on the need for advertisers to provide factual information about the product's attributes and benefits, and require that the claims be scientifically valid. The document reviews six key topics, product authorization, product performance, ingredients, comparison messages, source of the message in terms of testimonials, and side effects.

Food

AS evaluates broadcast ads with respect to the Food and Drugs Act and Regulations. Its policy guidelines make a distinction between food claims that are exempt from clearance and those that require clearance in four categories: general advertising, occasion-greeting advertising (e.g., Christmas), promotional advertising, and sponsorship advertising. In addition, the AS guidelines for the use of comparative advertising in food commercials outline six principles for appropriate executions of this presentation style. Finally, the AS guidelines on claims based on research and survey data have requirements pertaining to all aspects of the research design (i.e., sample, data collection).

Children

AS uses the Broadcast Code for Advertising to Children (Children's Code), published by the Canadian Association of Broadcasters in cooperation with AS, to assess whether ads directed toward children are appropriate. The Code takes into account the unique characteristics of children to ensure adequate safety and has nine guidelines concerning factual presentation, product prohibitions, avoiding undue pressure, scheduling, source or endorser of the message, price, comparison claims, safety, and social values. The Code also gives seven instructions on clearance procedures, such as when clearance is required or not, when ads can be directed to children, and during which programs ads can be directed to children. AS provides a designated stream of evaluation for complaints on this topic. Like alcohol messaging, the ability of AS and governments to control ads to children in the digital world is a significant issue as well. Critics are concerned about ad messages in games and frequent levels of ad exposure in social media that contribute to obesity among other problems.¹³

LO2 Ethical Views of Advertising

While laws and regulations determine what advertisers can and cannot do, not every issue is covered by a rule. Marketers make decisions regarding appropriate and responsible actions on the basis of ethical considerations rather than on what is legal or within industry guidelines. **Ethics** are moral principles and values that govern the actions and decisions of an individual or group. Advertising and promotion are areas where a lapse in ethical standards or judgment can result in actions that are highly visible and damaging to a company, so ethical considerations are imperative when planning IMC decisions. This section describes three ethical views: advertising as untruthful, advertising as offensive, and advertising influencing children.

ADVERTISING AS UNTRUTHFUL

One complaint about advertising is that ad messages are misleading or untruthful and deceive consumers. A number of studies have shown a general mistrust of advertising among consumers.¹⁴ In Canada, current AS research found that 77% of Canadian consumers have a favourable impression of advertising and 62% believe advertising assists them in making a purchase decision. Furthermore, two-thirds of Canadians believe that 50% or more of the ads they see are truthful.¹⁵

However, deception can occur subtly as a result of how consumers process the ad message and its impact on their beliefs.¹⁶ In addition, there is great difficulty in determining what constitutes a misleading ad message.¹⁷ Furthermore, advertisers legally using puffery to make subjective claims about their products complicates the issue. **Puffery** is defined as "advertising or other sales presentations which praise the item to be sold with subjective opinions, superlatives, or exaggerations, vaguely and generally, stating no specific facts."¹⁸ A concern of critics is the extent to which advertisers are *deliberately* untruthful or misleading, and they believe advertising should be primarily informative in nature and should not be permitted to use puffery or embellished messages.

Alcohol advertising is one area where one might conclude that a high degree of puffery has historically existed, with party imagery showing how happy consumers are when associated with a beverage. Sensing a change in consumers prompted Diageo Canada, distiller of Smirnoff vodka, to augment its brand positioning strategy. Researching Canadian consumers led to a Canada-specific focus on common situations in which they consume alcohol: with meals, during house parties, and at cottages,

as shown in **Exhibit 19-3**. This represented a departure from club imagery of everyone having the most epic time of their life, which of course only happens occasionally. The impetus for the new strategy focused on the need to introduce the brand to younger drinkers aged 19–24, but also to become a consideration for consumers in the 25–39 age bracket who tend to gravitate away from the party scene as they settle down. The campaign used TV and print to go with its promoted Twitter messages and hashtag #thisishappening. As all of this implies, this imagery reflected realistic consumption with minimal puffery.¹⁹

Sometimes advertisers make overtly false or misleading claims, however, these cases usually involve a tiny portion of the billions of dollars spent on advertising. Most advertisers do not design their messages with the intent to mislead or deceive consumers. Not only are such practices unethical, but the culprits would damage their reputation with AS and risk prosecution. National advertisers invest large sums of money to develop loyalty to, and enhance the image of, their brands. These companies are not likely to risk hard-won consumer trust and confidence by intentionally deceiving consumers. In the case of Estée Lauder, the CEO apologized when the cosmetics brand realized that it had inadvertently made false ad claims because a small group of employees had changed the testing procedures, thereby making the message incorrect.²⁰ While critics of advertising would probably agree that most advertisers are not out to deceive consumers deliberately, they are still concerned that consumers may not be receiving enough information to make an informed choice. They say advertisers usually present only information that is favourable to their position and do not always tell consumers the whole truth about a product or service.

Alternatively, advertisers have the right to present the most favourable case for their products and services and should not be restricted to just objective, verifiable information. Advertisers should have a reasonable basis for making a claim about product performance and may be required to provide evidence to support their claims. Consumers can protect themselves from being persuaded against their will and the industry and government regulations suffice to keep advertisers from misleading consumers.

ADVERTISING AS OFFENSIVE

Another consumer criticism is that ads are offensive or tasteless. Consumers are offended or irritated by advertising in a number of ways, but this section identifies two prevalent topics—product type and sexual appeals—to illustrate the idea of offensiveness.

Product Type

Consumers object when certain products—like personal hygiene products or contraceptives—are advertised at all; however, the objections vary over time. Historically, media did not accept ads for condoms, but they reconsidered with the emergence of AIDS; currently, these ads do not register the same level of concern as in the past. AS's 2019 annual report identified a number of complaints pursued for product categories; non-commercial (537), retail (211), leisure services (168), food (110), and telecommunications (81). These data suggest that some general categories are more concerning for consumers, although these groupings are very broad compared to individual personal care products. Some products, such as snack foods and sugared beverages, as shown in **Exhibit 19-4**, experience consumer objection for encouraging consumption.

Interestingly and unexpectedly, Vancouver billboards featuring the work of an internationally acclaimed artist from the city received considerable criticism. The photographs on the outdoor media

EXHIBIT 19-3 Consumers enjoy a beverage while socializing at a cottage or on a patio.



©Jacob Lund/Shutterstock

EXHIBIT 19-4 Advertisers for certain products may experience consumer objections.



©McGraw-Hill Education/John Flournoy

represented one of many entries for Vancouver's Capture Photography Festival. The pictures depicted people sleeping, and these natural and normal images evoked strong negative emotional reactions from some citizens who demanded immediate removal. The media company accommodated the demands even though the exhibit represented financial support for its Public Art Project in the community.²¹

Sexual Appeals

EXHIBIT 19-5 Abercrombie and Fitch received criticism for its ad conveying a sexual appeal.



©Splash News/Newscom

Advertising appeals receiving the most criticism for being in poor taste are those using sexual appeals and/or nudity. These techniques are used to gain consumers' attention and may not even be appropriate to the product being advertised. Even if the sexual appeal relates to the product, people may be offended by the nudity or sexual suggestiveness in the advertising message. Another criticism of sexual appeals is that they can demean women or men by depicting them as sex objects, such as with the image shown in **Exhibit 19-5**.

A review of sexual imagery in six mainstream American magazines for the years 1983, 1993, and 2003 across 18 product categories found that use of sexual imagery increased from 15% in 1983 to 27% in 2003. Most growth occurred in low-involvement product categories of alcohol, entertainment, and beauty, although product categories with the highest use included health/hygiene (38%), beauty (36%), drugs/medicine (29%), and clothing (26%).²² It is difficult to say whether the level grew or declined since the time period investigated.

One significant review of several studies concluded that sexual appeals lead to stronger ad recognition and ad recall, and have no effect on brand recognition or brand recall, no relationship to attitude to the ad, a negative effect on brand attitude, and no effect on purchase intention. These findings support the initial point of this topic that sexual appeals garner attention and significant processing, however their impact on lasting communication effects is not a factor.²³

It is also difficult to say whether this is similar in Canada or not. However, AS research in 2018 found that just over 50% of Cana-

adians believed partial nudity, either male or female, was acceptable or somewhat acceptable. A question asked about the acceptability of sexual themes, images, or innuendo, and acceptability dropped to 46% after being at 53% in 2013.²⁴ The other interpretation of this data is that half of all Canadians say nudity and sexual themes are not appropriate, suggesting that possibly individuals' attitudes and opinions vary by their values, religion, age, gender, and education, or perhaps other characteristics.

Recent marketing research on this topic identified that women's attitudes to sexual appeals evolved during current waves of feminism compared to previous waves spanning over the past 100 years. The third wave views a woman's sexuality in many new directions resulting in positive evaluations of sexual images of women in advertising by some groups of women.²⁵ Extending the research to other cultural domains found the same effect with a Korean data sample as well.²⁶ In contrast to this new direction in research findings, the Vancouver YWCA initiated a program to teach women that they could complain about the sexuality and portrayal of women in advertising to AS, who welcomed the program.²⁷ Thus, it appears that there is not complete agreement in society on this issue presently.

IMC Perspective 19-1 reviews the story of American Apparel and how the brand believes it has turned away from its sexually suggestive advertising of the past.

IMC PERSPECTIVE 19-1

A NEW DIRECTION FOR AMERICAN APPAREL^B

American Apparel returned to Canada and internationally with an online store. Its history of ads with women posing suggestively while wearing not very much raised the question of what the now Canadian-owned brand planned for its advertising. At its height, the retailer owned 280 stores worldwide but tumbled into bankruptcy after its founder was charged with sexual harassment and departed the company.



©Spencer Platt/Getty Images

In January 2017, a Montreal-based firm bought the brand's intellectual property rights and minimal physical assets, and planned to run American Apparel as an international online retailer. It expected to open one test store in Los Angeles to assess the potential for broader expansion. With the news, loyal owners of American Apparel clothing contacted the company, inquiring if they could replace their worn-out favourites, and American Apparel indicated that the new product line remained partly consistent with what had come before, but with lower prices.

When planning the advertising in Canada, the VP of brand marketing reviewed the archived ads and concluded that many fit the brand—fun, irreverent, slightly disruptive, and sexy—but some clearly crossed the line with overly sexual imagery. Despite this, the VP indicated that the brand established a strong photographic style in its ads, and suggested that people should feel empowered in their sexuality and that sexy is acceptable if it is portrayed positively and not uncomfortably.

For its new advertising, American Apparel established an open casting call for its models and selected a range of people with a variety of body shapes and sizes, and many different ethnic and cultural backgrounds. The imagery featured no retouches of the models, but the VP expected the ads retained a degree of tasteful sexiness. According to the VP, American Apparel would only include models aged 21 and up who looked older. In one campaign it showed models aged 30 and up.

American Apparel also established specialty products to show its commitment to diversity. American Apparel hired a public relations agency to build targeted activations and develop influencer marketing in social media. All of the IMC activities promoted American Apparel's positioning strategy of diversity, natural beauty, and body positivity. Despite this renewed direction, one commentator believed American Apparel did not deserve a second chance because of the history of its former owner.

QUESTION

1. What position do you take on American Apparel's new marketing communication in light of its history?

ADVERTISING INFLUENCING CHILDREN

It is a longstanding concern that children, particularly young ones, are especially vulnerable to advertising. Children lack the experience and knowledge to understand that the purpose of persuasive advertising appeals is to influence them. Research concluded that preschool children cannot differentiate between commercials and programs, do not perceive the selling intent of commercials, and cannot distinguish between reality and fantasy. The study also showed that children need more than a skeptical attitude toward advertising; they must understand how advertising works in order to use their cognitive defences against it effectively.²⁸ Because of children's limited ability to interpret the selling intent of a message or identify a commercial, some believe that advertising to them should not be permitted or should be severely restricted.

At the other extreme is the point that advertising is a part of life and children must learn to understand it through the **consumer socialization process** by acquiring the skills needed to function in the marketplace.²⁹ In this respect, existing restrictions may be adequate for controlling advertising directed to children. One study provided support for socialization as it found that adolescents developed skeptical attitudes toward advertising that were learned through interactions with parents and peers. They also found that marketplace knowledge played an important role in adolescents' skepticism toward advertising. Greater

knowledge of the marketplace gave teens a basis by which to evaluate ads and made them more likely to recognize the persuasion techniques used by advertisers.³⁰

A balance between protection and socialization becomes critical with children using digital media; the issues are increasingly complex, with new ideas for protection and groups making suggestions on how marketers should abide by the spirit of the laws prescribed for existing media. However, marketers remain intrusive with popular children's Internet sites containing ads disguised as content in the form of games or activities associated with toys, TV characters, or other brand identification.

The province of Quebec provides strict regulations to protect children from advertising. According to the Consumer Protection Act of Quebec, it is illegal to direct commercial advertising messages to persons younger than 13 years of age. Specific provisions determine whether or not an ad is directed to children regarding the product, the ad presentation, and the ad time and placement. To apply the law, the Quebec government provides summary guidelines for advertisers to follow, and it also provides screening services for advertisers if they are uncertain whether an item contravenes the law. The guidelines precisely describe the types of advertising appeals that are not permitted, clearly define what is meant by a children's TV program, and state exactly the percentage of children in the audience that constitutes a children's TV program. The guidelines include the degree to which messages can be directed toward children depending upon whether the product is exclusively for children (e.g., candy), partially for children (e.g., cereal), or not for children. There are also specific guidelines for public service announcements directed to children, even though there is no commercial message.

Over the years, critics from other provinces have called for similar laws without success. However, major food and beverage producers created the Canadian Children's Food and Beverage Advertising Initiative (CAI) to establish principles for advertising their products to children under 12 years of age. The initiative is in response to the growing obesity problem among children. The producers requested the involvement of AS to administer the program.³¹ The marketers agreed to five core principles for advertising directed to children.

1. Devote 100% of television, radio, print, and Internet advertising to furthering the goal of promoting healthy dietary choices and/or healthy active living.
2. Incorporate only products that represent healthy dietary choices in interactive games primarily directed to children under 12 years of age.
3. Reduce the use of third-party licensed characters in advertising for products that do not meet the CAI's product criteria.
4. Do not pay for or actively seek to place food and beverage products in program/editorial content of any medium.
5. Do not advertise food or beverage products in elementary schools.

The principles apply to other avenues of communication directed to children under 12, such as microsites, early childhood (EC) video/computer games, DVDs, mobile devices, and word of mouth. AS monitored the performance of organizations committed to CAI each year and summarized the results in a publicly available report. Its most recent report concluded that all companies complied with all guidelines in all media and promotional vehicles.³² Despite this initiative, the industry faced the prospect that the federal government would not permit advertising directed to children for unhealthy food.³³ This potential legislation looked at research concluding that social media influencing messages, product placement, and branded entertainment proved to be quite detrimental to young children who may have difficulty distinguishing between content and advertising.³⁴

In conclusion, this section has identified issues surrounding advertising to children, indicating its importance for families and society. Extensive academic research continues on this topic, and one summary article reviewing numerous studies over a recent decades examined critical topics such as the type of advertising formats and executional factors on ad processing and communication effects (e.g., intended, unintended) and the moderating effects of social factors (e.g., parent and peer influence) and regulatory factors.³⁵ Research such as this is useful for practitioners and those involved in ensuring safer brand communication to children.

LO3 Social Impact of Advertising

A number of factors influence a country's cultural values, lifestyles, and collective behaviour, but the amount and prevalence of advertising lead critics to argue that advertising also influences these aspects of society. While there is general agreement that advertising is an important social influence agent, critics question its value in a few directions. In particular, advertising is criticized for encouraging materialism, manipulating consumers to buy things they do not need, perpetuating stereotypes, and controlling the media.

ADVERTISING ENCOURAGES MATERIALISM

Critics claim advertising has an adverse impact on consumer values by encouraging **materialism**, a preoccupation with material things rather than intellectual or spiritual concerns. Critics contend that an ad like the one shown in **Exhibit 19-6** can promote materialistic values. In summary, they contend that advertising creates needs rather than showing how a product fulfills needs; surrounds consumers with images of the good life, implying material possessions leads to contentment and happiness; and suggests material possessions are symbols of status, success, and accomplishment leading to social acceptance, popularity, or sex appeal.

This criticism of advertising assumes that materialism is undesirable and is sought at the expense of other goals, but some believe materialism is acceptable. For example, some consumers believe their hard work and individual effort and initiative allows for the accumulation of material possessions as evidence of success. Others argue that the acquisition of material possessions has positive economic impact by encouraging greater consumption after basic needs are met. They believe economic growth is essential and materialism is both a necessity and an inevitable part of this progress. It has also been argued that an emphasis on material possessions does not rule out interest in intellectual, spiritual, or cultural values. Defenders of advertising say consumers can be more interested in higher-order goals when basic needs have been met. For example, a person may buy an expensive stereo system to enjoy music rather than simply to impress someone or acquire a material possession.

Even if it is assumed materialism is undesirable, there is still the question of whether advertising is responsible for creating and encouraging it. While critics argue that advertising is a major contributing force to materialistic values, others say advertising merely reflects the values of society rather than shaping them.³⁶ They argue that consumers' values are defined by the society in which they live and are the results of extensive, long-term socialization or acculturation. The argument that advertising is responsible for creating a materialistic and hedonistic society is counterargued by Stephen Fox, who concludes that advertising reflects society but is labelled a scapegoat.³⁷ In addition, Richard Pollay argued that advertising selectively reflects cultural values by echoing and reinforcing certain attitudes, behaviours, and values far more frequently than others.³⁸

EXHIBIT 19-6 Critics argue that advertising contributes to materialistic values.



Source: Hyundai Motor America

ADVERTISING AND PERSUASION

A common criticism of advertising is that it manipulates and exploits consumers by persuading them to buy things they do not need. Critics say advertising should just provide information useful in making purchase decisions and should not persuade. They view information advertising (which reports price, performance, and other objective criteria) as desirable, but persuasive advertising (which plays on consumers' emotions, anxieties, and psychological needs and desires such as status, self-esteem, and attractiveness) as unacceptable. Persuasive advertising is criticized for fostering discontent among consumers and encouraging them to purchase products and services to solve deeper problems.

Defenders of advertising offer three rebuttals to these criticisms. First, they point out that a substantial amount of advertising is essentially informational in nature. Also, it is difficult to separate desirable informational advertising from undesirable persuasive advertising. Shelby Hunt, in examining the *information-persuasion dichotomy*, points out that advertising that most observers categorize as informative is actually very persuasive, and that the purpose of all advertising is to persuade.³⁹

Second, defenders of advertising also take issue with the argument that it should be limited to dealing with basic functional needs. In our society, most lower-level needs recognized in Maslow's hierarchy—such as the needs for food, clothing, and shelter—are satisfied for most people. It is natural to move from basic needs to higher-order ones such as self-esteem and status or self-actualization. Consumers are free to choose the degree to which they attempt to satisfy their desires, and wise advertisers associate their products and services with the satisfaction of higher-order needs. While this is true, fulfillment of lower-level needs continues to benefit from advertising (**Exhibit 19-7**).

EXHIBIT 19-7 With this colourful street ad, Viagra reminds Canadian consumers to talk to their doctor.



©Marc Bruxelle/Shutterstock

Third, this criticism attributes too much power to advertising and assumes consumers have no ability to defend themselves since it ignores the fact that consumers have the freedom to make their own choices when confronted with persuasive advertising. While they readily admit the persuasive intent of their business, advertisers are quick to note that it is extremely difficult to make consumers purchase a product they do not want or for which they do not see a personal benefit. If advertising were as powerful as the critics claim, then products with multimillion-dollar advertising budgets would not fail in the marketplace. The reality is that consumers do have a choice, and they are not being forced to buy. Consumers ignore ads for products and services they do not really need or that fail to interest them.

ADVERTISING AND STEREOTYPING

Advertising is often accused of creating and perpetuating stereotypes through its portrayal of women and visible minorities.

Women

EXHIBIT 19-8 Most advertisers now portray women in powerful roles.

Source: Network Solutions LLC

The portrayal of women in advertising attracted significant research historically, and studies illustrated a consistent picture of gender stereotyping.⁴⁰ Advertising received criticism for stereotyping women and failing to recognize the changing role of women in our society. Critics argued that advertising depicted women as preoccupied with beauty, household duties, and motherhood, or showed them as decorative objects or sexually provocative figures. Portrayals of adult women in American television and print advertising emphasized passivity, deference, lack of intelligence and credibility, and punishment for high levels of effort.⁴¹

Research on gender stereotyping in advertising targeted to children found a pattern of results similar to that reported for adults. For example, a study identified sex-role stereotyping in television advertising targeted at children in the United States as well as in Australia.⁴² Ads showed boys as generally being more knowledgeable, active, aggressive, and instrumental than girls. Nonverbal behaviours involving dominance and control are associated more with boys than girls. Advertising directed toward children has also been shown to feature more boys than girls, to position boys in more dominant, active roles, and to use male voiceovers more frequently than female ones.⁴³

This historical research is in contrast to advertising's more recent portrayal of women, which is improving as advertisers show women realistically. Researchers argue that the transformed social positioning of women in North American society is perhaps the most important social development of this century.⁴⁴ They note that, as women have crossed the boundary from the domestic sphere to the professional arena, expectations and representations of women have changed as well. Advertisers depict women in a

diversity of roles that reflect their changing place in society. The stereotypical character traits attributed to women have shifted from weak and dependent to strong and autonomous.⁴⁵ The ad for Network Solutions shown in **Exhibit 19-8** is an example of how advertisers portray women in their ads.

Recent academic research has supported this direction. For example, one review of studies from around the world concluded that there has been a positive trend of both women and men away from uniform stereotyped portrayals.⁴⁶ A longitudinal study compared ads from 1990–1999 and 2000–2009, and found that women were depicted in non-traditional activities in 16% of the earlier ads versus 29% of the later ones. The percentage of ads showing a woman as a “housewife” dropped from 12% to 6%. Men portrayed as authority figures dropped from 31% to 17% over the two time periods.⁴⁷

Note that the portrayal of women did not elicit overwhelming complaints shown in the 2018 AS annual report, suggesting a positive trend. It received a total of 322 complaints regarding 233 ads associated with Clause 14 (unacceptable depictions and portrayals). Most concerned personal taste or preference, and the Council ultimately upheld 13 complaints for 6 ads, of which the exact portrayal problem is unknown. In comparison, AS received 849 complaints for Clause 1 (accuracy and clarity) and Clause 3 (price claims) combined and upheld 321 complaints for 37 ads. As well, portrayal and depiction problems of advertising are not reflected in the statistics if advertising is amended or withdrawn prior to an AS complaint. The issue of ad images that are criticized for being in public display is raised periodically, and ads such as the one shown in **Exhibit 19-9** may elicit objections or complaints.

A study by Microsoft and its agency Omnicom concluded that advertisers might want to reconsider how men are portrayed in ads, and their data found that high percentages of men declared themselves to be interested in cooking, nutrition, and personal care and grooming. Men indicated significant involvement in shopping for durables, consumables, and their own clothing, thereby challenging marketers' belief that women made most purchase decisions.⁴⁸

EXHIBIT 19-9 This Triumph lingerie ad may be inappropriate for public display to some consumers.



©Philippe Hays/Alamy Stock Photo

Visible Minorities

Several US academic studies in the late 1980s and early 1990s examined the incidence of visible minorities in advertising. A study found that Black people appeared in 26% of all ads on network TV that used live models but Hispanics appeared in only 6% of the commercials with live models. The researchers also found that TV ads in which Black people appeared were overwhelmingly integrated and that Black people were likely to have played either minor or background roles in the majority of the ads.⁴⁹ Research conducted in 1995 found that 17% of prime-time network TV ads featured Black characters in dominant roles and the majority of commercials featured them in minor roles.⁵⁰ One researcher found that ads targeting Black people through racially targeted media, especially with race-based products, benefit from featuring Black models with a dominant presence in the ad.⁵¹

A study of US prime-time TV commercials found that Asian male and female models are overrepresented in terms of their proportion of the US population (3.6%), appearing in 8.4% of the commercials. However, Asian models were more likely than members of other minority groups to appear in background roles, and Asian women were rarely depicted in major roles. The study also found that portrayals of Asian-Americans put more emphasis on their work ethic and less on other aspects of their lives.⁵²

In Ottawa, one writer criticized the portrayal of East Asian women in transit shelter ads located in the Chinatown area of the city for a casino communicating that it offered an Asian gaming area. The other problem centred on the blatant targeting of the ad message given the high level of gambling addiction in the Chinese community. While making the points, the writer acknowledged a point of view expressed by a reporter who debated the ethics of such a targeting decision by wondering if it exhibited “savvy” or “predatory” ad messaging.⁵³ Extending the cultural point to a broader issue, it raises a concern about how people of any nationality are portrayed in advertising with respect to specific goods or services that reinforce negative connotations. Certainly it provides a valuable lesson for promotional planners in Canada with its vast number of cultures.

It may be difficult to generalize the academic studies to Canada; however, Canadians are exposed to American ads when watching US television programs that do not simulcast Canadian commercials or when reading American magazines. So, to a degree, Canadian consumers will experience and perceive an imbalance through US exposure. However to counter this, one recent study of 2,000 ads shown in prime time on CBC, Global, and CTV found that 79% of the characters in the ads were white, and a corresponding 21% were non-white. In the 2011 census, about 6.25 million Canadians identified themselves as visible minorities, about 19% of the population of 33.5 million. Thus, a roughly equal representation occurs within this one sample.⁵⁴ Despite this, Canadian outdoor equipment and clothing companies received criticism regarding a lack of diversity in their ads. MEC took the message seriously and quickly responded by announcing in an open letter that the retailer would alter its ads in future.⁵⁵

ADVERTISING AND THE MEDIA

The fact that advertising plays such an important role in financing the media has led to concern that advertisers may influence or even control the media. It is well documented that *economic censorship* occurs, whereby the media avoid certain topics or

even present biased news coverage in acquiescence to advertiser demands.⁵⁶ Having the media in Canada supported by advertising means Canadians can enjoy them for free or for a fraction of what they would cost without advertising. The alternative to an advertiser-supported media system is support by users through higher subscription costs for the print media and a fee or pay-per-view system with TV. Although not perfect, our system of advertising-supported media provides the best option for receiving information and entertainment, however the points on both sides of the issue have merit.

Critics charge that the media's dependence on advertisers' support makes them susceptible to influence, including exerting control over the editorial content of magazines and newspapers; biasing editorial opinions to favour the position of an advertiser; limiting coverage of a controversial story that might reflect negatively on a company; and influencing the program content of television. A survey of 147 daily newspapers found that more than 90% of editors have been pressured by advertisers and more than one-third of them said advertisers had succeeded in influencing news at their papers.⁵⁷ Thus, a newspaper may be reluctant to print an unfavourable story about a local business upon whose advertising it depends. For TV, programming decisions are made largely on the basis of what shows will attract the most viewers and thus be most desirable to advertisers. Critics say this results in lower-quality television as educational, cultural, and informative programming is sacrificed for shows that get high ratings and appeal to the mass markets.

Media executives cite two reasons why advertisers do not exert undue influence over the media. First, it is in the media's best interest not to be influenced by advertisers. To retain public confidence, media must report the news fairly and accurately without showing bias or attempting to avoid controversial issues. The vast array of topics media cover and their investigative reporting is evidence of their objectivity. Second, media executives note that an advertiser needs the media more than the media need any individual advertiser, particularly when the medium has a large audience or does a good job of reaching a specific market segment. Publications and stations have a broad base of advertising support and can afford to lose an advertiser that attempts to exert too much influence.

ADVERTISING AND SOCIAL BENEFIT

EXHIBIT 19-10 Jack Daniel's encourages consumers to drink responsibly in their ad.



© Jack Daniel's

It is important to note that advertising contributes to activities that provide tremendous social benefit in a number of ways. Companies use advertising in their sponsorship or cause-related activities that encourage participation to help raise money for important causes. For example, communicating to the thousands who participated in Manulife's Ride for Heart efforts would not be possible without advertising—and, more importantly, would not occur without the existing advertising industry and infrastructure.

Organizations dealing with social problems, such as alcohol-impaired driving, use advertising to influence attitudes and behaviour. The messages try to persuade at-risk individuals not to engage in the behaviour and to take precautions if they do. One study reviewing the effects of mass media campaigns found a 13% decline in alcohol-related crashes and concluded that the social benefit of the advertising clearly outweighed the cost of the advertising.⁵⁸ Furthermore, advertising attempts to influence social norms by giving friends and family the courage to intervene. Finally, alcohol organizations responded to this advertising trend from other organizations with their own ad messages. **Exhibit 19-10** is an example where an alcohol brand encourages responsible consumption of their product in their advertising.

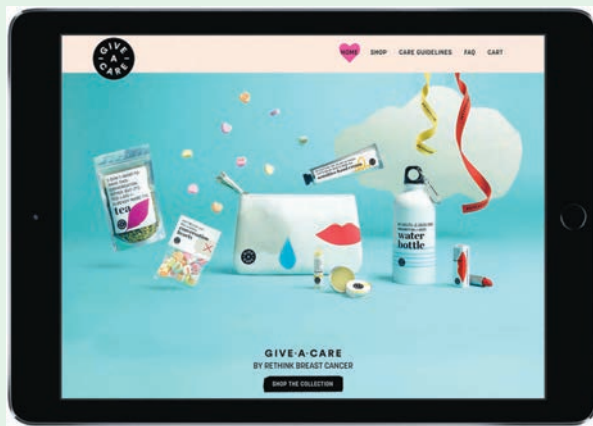
The Canadian National Institute for the Blind celebrated its 100th anniversary. It changed the brand name to CNIB Foundation and instituted a yellow and black colour motif that is more easily seen by those with partial vision. A new initiative—"Phone It Forward"—asked Canadians to donate their old smartphones to be refurbished and loaded with apps to assist those with vision loss as they navigated through life. As expected, the non-profit organization benefited with advertising to communicate the request to Canadians.⁵⁹

IMC Perspective 19-2 describes the marketing communication of Rethink Breast Cancer, a leading breast cancer awareness organization. Its success is built on the existing advertising infrastructure and the commitment of advertising professionals. And the examples show that creative messages and media flourish in the non-profit sector. There are numerous examples such as this where advertising and other promotions and the advertising industry contribute to social benefit.

IMC PERSPECTIVE 19-2

SOCIAL BENEFIT OF RETHINK BREAST CANCER^c

Advertising provides considerable benefit in many facets of society despite criticism it faces across multiple domains. Critics claim that advertising contributes to obesity since it encourages people to eat too much non-nutritious food, encourages consumers to drink alcohol excessively leading to a myriad of problems, or sways people to buy goods that they do not really need. Despite the potential for this possibly occurring, advertising and the system of advertising effectively contribute positively to significant issues, as we see with Rethink Breast Cancer.



©Rethink Breast Cancer

Research indicated that women with breast cancer did not enjoy being treated like a “sick person” while receiving treatment. Enter Give-A-Care, a product line for young women with breast cancer that actually understands young women with breast cancer. The 22-item product list (sold online at Giveacare.ca), priced from \$4 to \$100, included lemon candies to get rid of the metallic taste

of chemo, and an easy-to-use zip-front hoodie for after surgery. Witty remarks written on each item and on the online description provided a hint of the recovery experience. All donated products provided a profit margin that provided financial support for Rethink Breast Cancer to fulfill its mission of supporting young people affected by breast cancer. Agency Lg2 donated creative and management time to the cause.

The collection represented a substantial change from its previous campaigns such as, “Live.Laugh.Learn.,” a YouTube series providing educational information for women living with breast cancer, as well as “Your Man Reminder,” a video series and app that in a bold and novel way encouraged women to check themselves regularly. However, across all three campaigns, a clear direction of innovation in the message and media prevailed to communicate their mission effectively.

More recently, Rethink Breast Cancer targeted teenagers who received misinformation about breast cancer through social media, causing substantial fear even though they faced a 0.06% chance of being diagnosed. Enter #8008135 (spells BOOBIES in upside-down calculator numbers), a hashtag social media campaign that directed young girls to a Facebook Messenger chatbot that answered their questions and dispelled myths. Additionally, quizzes, quirky .gifs, and educational games provided a fun learning experience of the facts. H&M distributed T-shirts with the hashtag and sold them in select stores. The organization received \$260,000 in donated media to ensure exposure.

QUESTION

1. Can you recall other examples of advertising providing social benefit?

LO4 Economic Effects of Advertising

Advertising develops communication effects for their branded products by providing information for consumer decision making, as has been noted in previous chapters. It also impacts the economic system since advertising encourages consumption and fosters economic growth, facilitates entry into markets, and leads to economies of scale, thereby increasing the standard of living. In contrast, critics claim advertising does not provide information adequately, adds to the cost of goods and services, and discourages competition and market entry, thereby leading to industrial concentration and higher prices. This section summarizes the economic effects of advertising in terms of consumer choice, competition, and a product’s price.

EFFECTS ON CONSUMER CHOICE

Critics say advertising hampers consumer choice, as large advertisers use their power to limit consumer options to a few well-advertised brands. Economists argue that advertising is used to achieve (1) **differentiation**, whereby the products or services of large advertisers are perceived as unique or better than competitors’, and (2) brand loyalty, which enables large national advertisers to gain control of the market, usually at the expense of smaller brands. Larger companies often charge a higher

price and achieve a more dominant position in the market than smaller firms that cannot compete against them and their large advertising budgets. When this occurs, advertising not only restricts the choice alternatives to a few well-known, heavily advertised brands, but also becomes a substitute for competition based on price or product improvements.

Heavily advertised brands dominate the market in certain product categories (e.g., soft drinks). But advertising's defenders claim it generally does not create brand monopolies and reduce the opportunities for new products to be introduced to consumers. In most product categories, a number of different brands are on the store shelves and thousands of new products are introduced every year. The opportunity to advertise gives companies the incentive to develop new brands and improve their existing ones. When a successful new product such as a smartphone is introduced, competitors quickly follow and use advertising to inform consumers about their brand and attempt to convince them it is superior to the original.

EFFECTS ON COMPETITION

Critical economists argue that power in the hands of large firms with huge advertising budgets creates a **barrier to entry**, which makes it difficult for other firms to enter the market. This results in less competition and higher prices. Economists note that smaller firms already in the market find it difficult to compete against the large advertising budgets of the industry leaders and are often driven out of business. Large advertisers clearly enjoy a competitive advantage through **economies of scale** in advertising, particularly with respect to factors such as media costs. Firms such as Procter & Gamble, which spends millions of dollars per year on advertising and promotion, are able to make large media buys at a reduced rate and allocate them to their various products. Large advertisers usually sell more of a product or service, which means they may have lower production costs and can allocate more money to advertising, so they can afford the costly but more efficient media like network television. Their large advertising outlays also give them more opportunity to differentiate their products and develop brand loyalty. To the extent that these factors occur, smaller competitors are at a disadvantage and new competitors are deterred from entering the market.

While advertising may have an anticompetitive effect on a market, there is no clear evidence that advertising alone reduces competition, creates barriers to entry, and thus increases market concentration. Defenders of advertising say it is unrealistic to attribute a firm's market dominance and barriers to entry solely to advertising. Industry leaders often tend to dominate markets because they have superior product quality and the best management and competitive strategies, not simply the biggest advertising budgets. While market entry against large, established competitors is difficult, companies with a quality product at a reasonable price often find a way to break in. Moreover, they usually find that advertising actually facilitates their market entry by making it possible to communicate the benefits and features of their new product or brand to consumers.

EFFECTS ON A PRODUCT'S PRICE

Critics such as consumer advocates argue that advertising increases the prices consumers pay for goods and services. First, money spent on brand advertising constitutes an expense that must be covered and the consumer pays for it through higher prices. Second, advertising increases product differentiation by adding perceived value of the product among physically homogeneous products, enabling advertised brands to command a premium price without an increase in quality. For example, the differences in prices between national brands and physically similar private-label brands are evidence of the added value created by advertising. Thus, consumers' willingness to pay more for an advertised national brand rather than purchasing the lower-priced, non-advertised brand is wasteful and irrational.

Proponents of advertising acknowledge that advertising costs are at least partly paid for by consumers. But advertising may help lower the overall cost of a product more than enough to offset its costs. For example, advertising may help firms achieve economies of scale in production and distribution by providing information to and stimulating demand among mass markets. These economies of scale help cut the cost of producing and marketing the product, which can lead to lower prices—if the advertiser chooses to pass the cost savings on to the consumer.

Advertising can also lower prices by making a market more competitive, which usually leads to greater price competition. One researcher concluded that advertising resulted in lower consumer prices and that curtailment of TV advertising would drive up consumer prices.⁶⁰ And one economist argued that advertising cannot increase the cost per unit of quality to consumers because, if it did, consumers would not continue to respond positively to advertising.⁶¹ Instead, advertising lowers the costs of information about brand quality, leads to increases in brand quality, and lowers the average price per unit of quality. Finally, advertising is a means to market entry rather than a deterrent and helps stimulate product innovation, which makes markets more competitive and helps keep prices down.

ECONOMIC EFFECTS SUMMARY

Albion and Farris suggest that economists' perspectives is divided into two schools of thought that make different assumptions regarding the influence of advertising on the economy.⁶² **Figure 19-4** summarizes the main points of these two views. Proponents of the “advertising equals market power” view advertising as having negative economic effects as companies become more powerful, whereas proponents of the “advertising equals information” view advertising as having positive economic effects by creating efficient and competitive markets.

The belief that advertising equals market power views advertising as a way to change consumers' tastes, lower their sensitivity to price, and build brand loyalty among buyers of advertised brands. This results in higher profits and market power for large advertisers, reduces competition in the market, and leads to higher prices and fewer choices for consumers. The belief that advertising equals information views advertising as providing consumers with useful information, increasing their price sensitivity (which moves them toward lower-priced products), and increasing competition in the market. Advertising communicates the features and attributes to inform consumers, who then in turn pressure companies to provide high-quality products at lower prices. Efficient firms remain in the market, whereas inefficient firms leave as new entrants appear. **Exhibit 19-11** shows an ad from the International Advertising Association used to support this positive role of advertising.

The debate over the economic effects of advertising will likely continue; however, the point of view expressed by Leo Burnett years ago seems relevant today with the growth of mobile devices and other innovations (**Figure 19-5**). While advertising and marketing experts agree that advertising and promotion play an important role in helping to expand consumer demand for new products, not everyone would agree that this is desirable.

EXHIBIT 19-11 This ad promotes the value of advertising in building strong brands.



Source: American Advertising Federation

Figure 19-4 Two schools of thought on advertising's role in the economy

Market Power	Criteria	Market Information
Advertising affects consumer preferences, changes product attributes, and differentiates the product from competitive offerings.	Advertising	Advertising informs consumers about product attributes but does not change the way they value those attributes.
Consumers become brand loyal and perceive fewer substitutes for advertised brands.	Consumer buying behaviour	Consumers become more price sensitive and buy best “value.” Only the price–quality relationship affects product elasticity.
Potential entrants must overcome established brand loyalty and spend relatively more on advertising.	Barriers to entry	Advertising makes entry possible because it can communicate product attributes to consumers.
Firms are insulated from market competition and potential rivals; concentration increases, leaving firms with more discretionary power.	Industry structure and market power	Consumers easily compare competitive offerings, which increases rivalry. Efficient firms remain, inefficient leave, and new entrants appear; the effect on concentration is ambiguous.
Firms charge higher prices and are less likely to compete on quality/price dimensions. Innovation may be reduced.	Market conduct	More informed consumers pressure firms to lower prices and improve quality; entrants drive innovation.
Advertisers' excessive profit provides incentive to advertise. Output is restricted compared to perfect competition.	Market performance	Industry prices decrease. Effect on profit due to increased competition and increased efficiency is ambiguous.

Figure 19-5 The positive economic effects of advertising

To me it means that if we believe to any degree whatsoever in the economic system under which we live, in a high standard of living and in high employment, advertising is the most efficient known way of moving goods in practically every product class.

My proof is that millions of businessmen have chosen advertising over and over again in the operations of their business. Some of their decisions may have been wrong, but they must have thought they were right or they wouldn't go back to be stung twice by the same kind of bee.

It's a pretty safe bet that in the next 10 years many Americans will be using products and devices that no one in this room has even heard of. Judging purely by past performance, American advertising can be relied on to make them known and accepted overnight at the lowest possible prices.

Advertising, of course, makes possible our unparalleled variety of magazines, newspapers, business publications, and radio and television stations.

It must be said that without advertising we would have a far different nation, and one that would be much the poorer—not merely in material commodities, but in the life of the spirit.

— Leo Burnett

Source: These excerpts are from a speech given by Leo Burnett on the American Association of Advertising Agencies' 50th anniversary. April 20, 1967.

Learning Objectives Summary

LO1

Describe Advertising Standards, the the organization responsible for industry self-regulation in Canada.

Various levels of government regulate different aspects of Canadian advertising; however, self-regulation of these laws occurs through Ad Standards (AS), a non-profit organization of advertising industry members. Some of AS's responsibilities have been given to it because the federal government has withdrawn services with the belief that industry is sufficiently responsible. AS responds to all complaints with respect to advertising and publishes an annual report that summarizes the complaints it receives each year. AS is also responsible for clearing ads prior to their airing for a number of products.

LO2

Evaluate the ethical views of advertising.

Even though there appears to be sufficient control of advertising, it is a very powerful institution that has been the target of criticism from ethical, social, and economic views. The criticism of advertising concerns the specific techniques and methods used and its influence on societal values, lifestyles, and behaviour. Critics argue that advertising is deceptive and untruthful; that it is often offensive, irritating, or in poor taste; and that it exploits certain groups. Many people believe advertising should be informative only and advertisers should not use subjective claims, puffery, embellishment, or persuasive techniques.

Advertising offends consumers by the type of appeal or manner of presentation used; sexually suggestive ads and nudity receive the most criticism. Advertisers say their ads are consistent with contemporary values and lifestyles and are appropriate for the target audiences they are attempting to reach. Advertising to children is an area of particular concern, since critics argue that children lack the experience, knowledge, and ability to process and evaluate persuasive advertising messages rationally.

LO3**Explain the social impact of advertising.**

The pervasiveness of advertising and its prevalence have led critics to argue that it influences and transmits social values. Advertising has been charged with encouraging materialism, manipulating consumers to buy things they do not want or need, and perpetuating stereotypes through its portrayal of certain groups such as women and visible minorities.

LO4**Examine the economic effects of advertising.**

Advertising has also been scrutinized with regard to its economic effects. From an economic view, advertising gives consumers information that helps them make consumption decisions. Some people view advertising as a detrimental force that has a negative impact on competition, product costs, and consumer prices. Economists' perspectives regarding the effects of advertising correspond to two basic schools of thought: the "advertising equals market power" model, and the "advertising equals information" model.

Review Questions

1. Explain why you agree or disagree with the rulings of Ad Standards presented in this chapter regarding the Ford Focus and Kia automobile ads.
2. Evaluate the arguments for and against advertising to children. Do you feel that restrictions are needed for advertising and other forms of promotion targeted to children?
3. Discuss how attitudes toward the use of sex in advertising differ between men and women. Discuss the implications of these attitudinal differences for marketers who are developing ads.
4. Describe the differences between the two major perspectives of the economic impact of advertising: "advertising equals market power" versus "advertising equals information."

Applied Questions

1. Why are the laws for advertising regulation not applied to sponsorship and some other IMC programs?
2. Find the most offensive ad possible and express why it is so offensive. Apply the AS code to determine which guidelines it violates.
3. Explain which position you agree with and why: "Advertising determines Canadian consumers' tastes and values and is responsible for creating a materialistic society," or "Advertising is a reflection of society and mirrors its tastes and values."
4. Do you believe that advertising power has ever restricted your personal choice in buying products?

